

Grantee: Louisville Jefferson County Metro Government, KY

Grant: B-08-MN-21-0001

July 1, 2011 thru September 30, 2011 Performance Report

Grant Number:

B-08-MN-21-0001

Obligation Date:

03/20/2009

Grantee Name:

Louisville Jefferson County Metro Government, KY

Award Date:

03/20/2009

Grant Amount:

\$6,973,721.00

Contract End Date:

03/20/2013

Grant Status:

Active

Review by HUD:

Original - In Progress

QPR Contact:

Jeana Dunlap

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

Jefferson County ranks highest among the Commonwealth of Kentucky's 120 counties and the Louisville MSA has been identified as the area with greatest need for assistance to reduce the number of foreclosures. According to the Kentucky Office of the Courts, Louisville/Jefferson County Metro Government (Louisville Metro), ranks highest among statewide jurisdictions with the greatest likelihood of future foreclosure, abandonment and deterioration. According to the Foreclosure and Abandonment Risk scores furnished by HUD, when aggregated to the county level, Louisville Metro was the only county assigned a most distressed score of 100 out of 100 points by the Kentucky Department for Local Government.

The areas of greatest need to be targeted with NSP funds are the Park duValle area (Census Tracts 10, 127.01, and 128.01); Shawnee (Census Tracts 4 and 7); Newburg (Census Tracts 113.01, 114.04, 114.05 and 114.06); and Smoketown/Shelby Park (Census Tracts 62 and 65).

Distribution and and Uses of Funds:

February 2011 Technical Amendment:

The following is a list of updates that were made to the Action Plan.

1. Updated tenure type for all ongoing activities.
2. Updated housing type, SF or MF, for all ongoing activities.
3. Updated performance measures for all ongoing activities.
4. Updated performance measures for all canceled activities.

April 2010 Amendment: As of the quarter ending June 30, 2010 Louisville Metro will invite capable non-profit organizations to participate as developers in the NSP program. Louisville Metro will limit invitations to non-profit developers in delivering the NSP strategy. NSP funds will be used in tandem with other monetary resources including HUD allocated entitlement funds. Louisville Metro is also taking additional steps to capitalize and strengthen neighborhood-based groups and Community Housing Development Organizations (CHDOs). Metro has also committed Community Development Block Grant (CDBG) funds to demolish privately owned blighted properties and to perform residential repair.

Proposed Action Plan Budget as of April 2010-\$6,973,721.00

\$697,372(10%-F)-Administration;

\$2,100,000(30%-B1)-Low-Income Set-Aside Rental;

\$2,676,349(38%-E2)-Acquisition-Rehab-Homeownership;

\$1,500,000(22%-E1)-Acquisition-Rehab-Public Facility

Louisville Metro will utilize no more than 10% of its NSP allocation for Administration-Eligible Use F. The Low Income Set-Aside requirement will be met under Eligible Use B by allocating \$2,100,000.00 or 30% of the total grant award to the Louisville Metro Housing Authority for the provision of rental housing for low-income households.

September 2009 Technical Amendment: As of the second quarter Louisville Metro wishes to revise the NSP budget and eliminate the "Direct Disposition" or Landbanking activity under Eligible Use C in favor of consolidating all direct activities under Eligible Use B - Purchase and Redevelop Foreclosed Properties. Funding allocated under Use B will be utilized for a consumer-driven purchase-

resale program, where income eligible, potential NSP homebuyers will have an opportunity to select a foreclosed property, located in any one of the fourteen NSP Census Tracts, and to have that property renovated on their behalf. After receiving the final NSP Bridge Notice and having attended the NSP-1 Training in Chicago, IL July 6-7, 2009, Louisville Metro is better informed on actual activities allowed under each of the eligible use categories. With this understanding, we have also eliminated line items set aside for Eligible Use A &ndash Financing Mechanisms, as downpayment grants, principle write downs, or development subsidies can be realized under Uses B or E. The final Action Plan budget reflects only two &ldquoProjects&rdquo crossing three eligible use types available in DRGR. Funding under Use E (\$4,184,233) will be reserved for the developer request for proposals. Project specific &ldquoActivities&rdquo were added with zero balances as we anticipate potentially using funds for acquisition of residential properties, acquisition of non-residential properties, rehabilitation, new construction, and demolition to complete site specific projects. Finally, Metro will explore the &ldquolump-sum draw down&rdquo provisions found at 24 CFR 570.513 to expedite the obligation and expenditure of NSP funds. Non-NSP resources will be used for educating and informing residents about redevelopment opportunities presented through HERA and local government&rsquo efforts under the NSP.

Louisville Metro also reserves the right to revise this plan and/or reprogram NSP funds, as appropriate, subject to the alternative requirements governing citizen participation.

December 2008 Amendment: Neighborhoods designated as high priority areas receiving initial benefit from NSP and other available entitlement funds are: Park duValle area census Tracts 10, 127.01, and 128.01; Shawnee (Census Tracts 4 and 7); Newburg (Census Tracts 113.01, 114.04, 114.05 and 114.06); and Smoketown/Shelby Park (Census Tracts 62 and 65). Using information from local governmental sources, all vacant properties in these areas will be mapped and determinations will be made on whether individual properties are consistent with NSP eligible use requirements and locernment objectives. The NSP allows the use of only the low-and-moderate income national objective. All funds will be used to assist individuals or families with incomes at or below 120 percent of area median income (AMI). In addition, no less than 25 percent of funds (\$1,743,430) will be used to purchase or redevelop abandoned or foreclosed residential properties that will be used to house individuals or families at or below 50 percent of AMI. Louisville Metro will target NSP funded activities into areas of greatest need as stipulated in HERA. Each Target Area will be further analyzed and Metro will explore defining smaller project areas based on our ability to concentrate programmatic efforts and achieve sustainable outcomes for the resident in the immediate area. Detailed strategies will be determined on a neighborhood-by-neighborhood basis, at the street level, in collaboration with neighborhood leaders and Metro Council representatives.

The initial proposed budget for NSP activities included \$697,372 for Direct Disposition (10%), \$1,394,744 for Direct Acquisition (20%), \$1,743,430 for Indirect Finance (25%), \$1,743,430 for Indirect Production (25%), and \$697,372 for Indirect Public Facilities (10%). Louisville Metro will utilize no more than 10% (\$697,372) of its NSP allocation for Administration.

Definitions and Descriptions:

April 2010 Amendment: Five additional non-profit organizations were selected based on their proven track records in affordable housing development, rehabilitation, and/or management, Eligible Use E1 and E2. These nonprofit organizations have demonstrated propensities to perform community development projects with public resources and/or to leverage public resources toward outcomes that stabilize the community. Their combined capacity has led to numerous affordable rental or homeownership units being placed into service. Each organization has a history of working closely with neighborhood stakeholders and benefits from strong affirmations of public and private support for their proposed activities. Louisville Metro believes that project readiness combined with the developers&rsquo respective expertise will result in measurable neighborhood impacts for the areas of greatest need.

Louisville Metro is proposing two non-residential acquisition and rehabilitation projects that will operate as public facilities in two different areas of greatest need. Youthbuild Louisville and Habitat for Humanity of Metro Louisville will be assisted in acquiring vacant commercial properties in the Smoketown and Portland neighborhoods, respectively. Each organization will leverage an NSP investment of \$750,000.00 to develop operational space for its administrative and programmatic functions. Louisville Metro expects the neighborhood impact from these projects to be threefold. First, both projects will immediately produce positive impact for the surrounding areas. Second, Youthbuild Louisville serves a limited clientele by educating and training low-income young adults in residential construction and/or related trades. Third, Habitat for Humanity has established itself not only as a leading provider of affordable single-family housing, but has also become one of the most productive housing developers in the local area. While all of the households served by Habitat for Humanity are classified well within the LMMI income range, many of those homeowners are considered to earn incomes between 50-60 percent of the area median income. The NSP investment in both projects is expected to raise organizational capacity and operational efficiency, and thereby broadening the respective impact within the areas of greatest need.

Louisville Metro will not utilize the Louisville-Jefferson County Landbank Authority to complete acquisitions, as all NSP-funded acquisitions will be facilitated by the selected non-profit partners. Louisville Metro and its development partners will not emphasize &ldquoabandoned&rdquo property acquisitions due to state mandated judicial sale procedures which hinder the acquisition procedure. Likewise, Louisville Metro has no plans to initiate property tax foreclosure proceedings at part of its NSP acquisition strategy. Housing & Family Services will continue to work with Metro Codes & Regulations to keep property owners accountable. All NSP-funded acquisitions will require no less than a one percent discount per transaction per the July 11, 2009 technical correction (i.e. &ldquoNSP-1 Bridge Notice&rdquo). The proposed timeline for carrying out the program is outlined below.

Under the homeownership component of its NSP strategy, Louisville Metro will provide direct homeownership assistance consisting of both gras and principal write-downs via soft-second m. Louisville Metro will ensure initiating affordability of NSP-assisted housing by implementing underwriting criteria for all direct homeowner subsidies. The Metro NSP will require that homebuyers occupy the unit as their primary residence from the time of purchase throughout the established period of affordability. NSP homebuyers will need their debt burden to fall within the range acceptable to FHA, and all primary loans will need to be fixed-rate with no prepayment penalties. The Metro NSP will strongly encourage front-end debt-to-income ratios of twenty-five (25%) and back-end debt-to-income ratios at or below forty-five percent (45%); but under no circumstances will front-end ratio&rsquo be allowed over thirty percent (30%).

In addition to down payment grants which may be applied against a private lender&rsquo required down payment or closing costs (but not &ldquo-pre-pays&rdquo), forgivable loans will be provided to eligible purchasers in an amount required to make the primary mortgage payment consistent with the recommended affordability ratios. NSP soft-second mortgages will be fully repayable if the home is sold before the end of the sixth full year after purchase, thereafter, the loan will be forgiven incrementally until the loan is fully forgiven at the end of the

affordability period. As the program progresses, the amount and structure of financial assistance may be adjusted to respond to market conditions. All eligible potential homebuyers will be offered a minimum direct subsidy to create additional incentives for purchasing homes in the areas of greatest need.

The sale price after rehabilitation must be the lower of the after-rehab appraised value or actual cost the builder/developer has in the house. Prior to the ultimate sale to an owner/occupant, a financial summary prepared by the builder/developer will be submitted to Louisville Metro to ensure the sale price conform to program requirements. To assist non-profit developers in obtaining interim financing, Louisville Metro will seek a resolution from the Louisville Metro Council authorizing forgivable loans to the selected NSP development partners. Louisville Metro will allow each loan to be subordinated to privately-provided interim financing facilities obtained by the developers at their own discretion.

September 2009 Technical Amendment: Working with potential NSP homebuyers early on in the redevelopment process provides many benefits to Metro and to the homebuyer. The program will allow the homebuyer to be amply involved throughout the renovation process and to become intimately familiar with the property before taking ownership. Louisville Metro would also benefit from quickly obligating NSP funds to cover acquisition, counseling fees, construction costs, downpayment assistance, and principle write downs; and doing so without the risk of associated with purely speculative redevelopment. Preference will be given to families in the 50% AMI income category and outcomes will be counted toward the low-income set aside requirement. The proposed Action Plan revision reflects a total of \$2,092,116.00 allocated to this program under Eligible Use B.

December 2008 Amendment: In preparation for receiving the NSP special allocation, Louisville Metro established a housing policy Advisory Panel to gather input from the private sector, external Metro Government agencies, and the Louisville Metro Council. Financial institution, housing development professionals and supportive service providers were each represented on the panel. Four subcommittees were formed to evaluate the topics such as financial leveraging opportunities, geographical need, residential construction challenges, and homebuyer concerns. The programmatic activities and priorities reflected in this amendment are a direct result of the conclusions and recommendations of the Advisory Panel based on information gathered by and for the panel.

To ascertain areas of greatest need, Louisville Metro analyzed data from a number of sources. The HUD USER website assessed need using a variety of factors including home value decline, incidence of high cost loans, and Post Office data on residential vacancies. Louisville Metro considered areas of greatest stress to be those Census Tract Block Groups which received the designation of "distress", "moderate distress", and "severe distress" on a scale of 1 to 10 (with 10 indicating the greatest degree of distress). Louisville Metro's primary emphasis will be on those rated "moderate distress" by US HUD. The Metro Department of Inspections, Permits and Licenses (IPL) also provided information regarding the length of vacancy and citations for Code violations for vacant structures; and the Master Commissioner of Jefferson Circuit Court provided information on foreclosures throughout Metro Louisville. In addition to addressing areas of greatest need, the Advisory Panel also considered other neighborhood characteristics. Specific areas of priority were chosen based on the following:

- Existing neighborhood involvement, e.g. Block Watches, Weed and Seed
- Potential economic development corridors, which create or could create jobs
- Neighborhood assets and amenities, e.g. parks, playgrounds, schools
- Owner-occupancy rate and trends
- Vacancy rates, from the Department of Inspections, Permits and Licenses
- Foreclosure information from Metro 211 program which was established to counsel people in foreclosure crisis
- Housing value trends from the Property Valuation Administrator.

Based on the best available information, the Advisory Panel prioritized neighborhoods suffering disproportionate levels of foreclosure stress and deterioration of the existing housing stock. Data provided by US HUD is based on Census Tract boundaries which do not always correspond with commonly recognized neighborhood boundaries. Louisville Metro was able to overlay high risk Census Tracts on a map of the jurisdiction to identify the most closely correlated neighborhoods. Recognizing the unique programmatic opportunities that each neighborhood presents will necessarily yield neighborhood specific strategies comprised of the eligible uses brought forth in the NSP by HERA. Efforts to identify the specific areas of greatest need were informed by analyzing data made available by the Office of Policy Development and Research's HUD USER. Toward making determinations of greatest need, Louisville Metro has adopted the "Estimated Foreclosure Abandonment Risk Score." These Risk Scores incorporate factors such as the percentage of home foreclosures, the percentage of homes financed by subprime mortgages, and residential vacancy rates. After reviewing Risk Scores for all Census Tract Block Groups within the jurisdiction, Louisville Metro defines areas of greatest need to be those Block Groups which received a Risk Score of "moderate", "severe" or "distress" on a scale of 1 to 10 (with 10 indicating the greatest degree of future foreclosure risk and abandonment). The areas of greatest need to be targeted with NSP funds are the Park duValle area (Census Tracts 10, 127.01, and 128.01); Shawnee (Census Tracts 4 and 7); Newburg (Census Tracts 113.01, 114.04, 114.05 and 114.06); and Smoketown/Shelby Park (Census Tracts 62 and 65).

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Summary of Public Comments on the Amendment to the NSP Substantial Amendment

ACCEPTED COMMENTS

Comment: Debra Mercer

Ms. Mercer brought to the attention of Louisville Metro Department of Housing and Family Services (LMHFS), NSP program staff, an error contained in the major revision to the NSP Substantial Amendment. Specifically, there was a citation in the amendment listing Census Tract

62 as being Portland instead of Smoketown/Shelby Park.

Response: LMHFS has made the correction and appreciates the careful review by our external partners.

Comment: Joe Gliessner, New Directions Housing Corporation

New Directions Housing Corporation (NDHC) expressed appreciation for being one of the non-profit developers selected to carry out NSP activities and expressed support of the overall plan specifically highlighting its confidence in its ability to administer NSP activities in the Shelby Park Neighborhood. NDHC reiterated the importance of homeownership assistance, expressed commitment to the timeframe and expressed a desire to quickly finalize developer agreements as ample NSP-eligible properties have been identified.

Response: LMHFS agrees and will work to quickly finalize developer agreements.

Comment: Jonathan Lowe, River City Housing Board Member

Mr. Lowe expressed appreciation for LMHFS recognizing the capacity and proven track record of River City Housing Corporation, evident by the selection of this organization to carry out NSP activities, and expressed support of the overall plan.

Response: LMHFS agrees.

Comment: Tim Barry, Louisville Metro Housing Authority (LMHA)

LMHA expressed appreciation for being one of the non-profit developers selected to carry out NSP activities in an effort to increase affordable rental and homeownership opportunities and expressed support of the neighborhood specific strategy of the NSP program. LMHA expressed confidence and assurance regarding its capacity to undertake the activities in the given timeframe, citing its success with the Clarksdale/Liberty Green project.

Response: LMHFS agrees.

Comment: Christie McCravy, Louisville Urban League (REBOUND, Inc.)

Ms. McCravy expressed appreciation for being one of the non-profit developers selected to carry out NSP activities, specifically citing REBOUND's enthusiasm over the development of two homes in the Hallmark and Shawnee neighborhoods.

Response: LMHFS agrees.

Comment: Chris Posey

Response: Mr. Posey expressed his opposition to the major revisions to the NSP Substantial Amendment and to the entire NSP process. Specifically, Mr. Posey is opposed to the selection of the non-profit developers chosen to administer NSP activities, as the procurement process was not open bidding, as was included in the original NSP Substantial Amendment. Mr. Posey further cites concerns that the developers were chosen in an exclusionary and subjective manner due to LMHFS's inability to administer the NSP program in a timely manner. What's more, Mr. Posey states that the process has excluded minority owned and operated entities, with the exception of the Louisville Urban League, which has not been engaged in housing rehabilitation for several years.

Response: While the original NSP Substantial Amendment included a procurement process, it became apparent that due to the NSP timeline for expenditures of grant funds that LMHFS would not have time to undertake a type of procurement process it had never used before and that teaming with established partners with proven capacity to undertake the activities allowed for under the grant was more prudent. The amendment process contained in the Consolidated Plan allows for entitlement communities to adapt its programs to changing circumstances.

| Overall | This Report Period | To Date |
|--|---------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$6,973,721.00 |
| Total CDBG Program Funds Budgeted | N/A | \$6,973,721.00 |
| Program Funds Drawdown | \$942,009.13 | \$3,448,514.53 |
| Program Funds Obligated | \$0.00 | \$6,973,721.00 |
| Program Funds Expended | (\$647,283.80) | \$2,830,100.03 |
| Match Contributed | \$0.00 | \$0.00 |

| | | |
|-------------------------|--------|--------|
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Progress Toward Required Numeric Targets

| Requirement | Required | To Date |
|--|----------------|--------------|
| Overall Benefit Percentage (Projected) | | 0.00% |
| Overall Benefit Percentage (Actual) | | 0.00% |
| Minimum Non-Federal Match | \$0.00 | \$0.00 |
| Limit on Public Services | \$1,046,058.15 | \$0.00 |
| Limit on Admin/Planning | \$697,372.10 | \$253,250.17 |
| Limit on State Admin | \$0.00 | \$0.00 |

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

| National Objective | Target | Actual |
|-------------------------------|----------------|----------------|
| NSP Only - LH - 25% Set-Aside | \$1,743,430.25 | \$2,100,000.00 |

Overall Progress Narrative:

Louisville Metro's NSP partners continue to demonstrate their commitment by making significant progress on their redevelopment efforts. Rehabilitation or construction for most of the single-family homes acquired under the program is substantially completed. As of the quarter ended September 30, 2011 5 homes had been sold to income qualified households. Another 9 homes are currently under contract and pending final closing. In total, 14 of the 17 sites redeveloped under the homeownership component are either sold or well on their way to reaching the national objective. The public facility projects implemented by Habitat for Humanity of Metro Louisville and YouthBuild Louisville are either complete or nearing completion. Direct beneficiary information will be forthcoming as each activity achieves its national objective and undergoes final administrative closeout with the Grantee. A new strategy for the rental component of the NSP is under review and pending the Grantee's approval.

Project Summary

| Project #, Project Title | This Report Period | To Date | |
|--|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 |
| A, Shawnee | \$0.00 | \$0.00 | \$0.00 |
| B, Portland | \$0.00 | \$0.00 | \$0.00 |
| B- Acquisition-Rehab, Homebuyer Choice Program | \$0.00 | \$0.00 | \$0.00 |
| B1, LOUISVILLE METRO HOUSING AUTHORITY | \$0.00 | \$2,100,000.00 | \$40,490.07 |
| C, Smoketown/Shelby Park | \$0.00 | \$0.00 | \$0.00 |
| D, Park DuValle | \$0.00 | \$0.00 | \$0.00 |
| E, Newburg | \$0.00 | \$0.00 | \$0.00 |

| | | | |
|--|--------------|----------------|----------------|
| E-Redevelopment, Developer Request For Proposals | \$0.00 | \$0.00 | \$0.00 |
| E1, ACQUISITION-REHAB-PUBLIC FACILITY | \$184,581.24 | \$1,500,000.00 | \$1,324,900.45 |
| E2, ACQUISITION-REHAB-HOMEOWNERSHIP | \$740,368.82 | \$2,676,349.00 | \$1,829,873.84 |
| E3, RIVER CITY HOUSING, INC | \$0.00 | \$0.00 | \$0.00 |
| E4, NEW DIRECTIONS HOUSING COPORATION | \$0.00 | \$0.00 | \$0.00 |
| E5, REBOUND | \$0.00 | \$0.00 | \$0.00 |
| F, Administration | \$17,059.07 | \$697,372.00 | \$253,250.17 |

Activities

| | |
|---------------------------------|---|
| Grantee Activity Number: | 08-B1-LOU METRO HOUSING AUTHORITY |
| Activity Title: | LOW INCOME SET ASIDE ACQUISITION, REHAB AND RENTAL |

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

B1

Project Title:

LOUISVILLE METRO HOUSING AUTHORITY

Projected Start Date:

07/01/2010

Projected End Date:

03/20/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

LOUISVILLE METRO HOUSING AUTHORITY

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|--|-------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$2,100,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$2,100,000.00 |
| Program Funds Drawdown | \$0.00 | \$40,490.07 |
| Program Funds Obligated | \$0.00 | \$2,100,000.00 |
| Program Funds Expended | \$0.00 | \$40,490.07 |
| LOUISVILLE METRO HOUSING AUTHORITY | \$0.00 | \$40,490.07 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

FUNDS WILL BE USED TO ACQUIRE "FORECLOSED" AND "VACANT" PROPERTIES PHYSICALLY LOCATED IN THE PRIORITY AREAS. FUNDING FOR THIS ACTIVITY WILL BE USED TO MEET THE LOW INCOME HOUSING SET-ASIDE REQUIREMENT BY PROVIDING RENTAL UNITS FOR CLIENTS SERVED BY LMHA

Location Description:

AREAS ADJACENT PARK DUVALLE(CT-10,127.01,128.01); SHAWNEE (CT-4,7); PORTLAND (CT-3,21,23); SMOKETOWN/SHELBY PARK(CT 62,65)

Activity Progress Narrative:

LMHA Development Corporation acquired 5 foreclosed properties, including 2 duplexes, in need of extensive rehabilitation. Prior to the NSP obligation deadline, the Development Corporation had initially proposed to redevelop these sites into permanent rental housing for the low income set aside component of the grant. LMHA-DC proceeded to work with an architectural firm, engineers, HVAC specialists, environmental hazard abatement experts and others to assess the conditions of the foreclosed properties and to create plans and specifications to each of the units. The architectural firm engaged by LMHA-DC has a proven track record in preparing consistently accurate cost estimates and provided commercial grade rehabilitation estimates that factored in the age and condition of the respective properties.

LMHA-DC issued a request for proposals to rehabilitate the two historic duplexes located in the Smoketown neighborhood. Only one responses was received by the April 12, 2011 deadline. According to that contractor's response, the average cost per unit was going to be approximately \$191,000, thereby far exceeding the architect's preliminary cost estimates. As a result, LMHA-DC decided to issue a second request for proposals that included all 5 properties in a single package. Although the second RFP generated two qualified responses the proposed rehabilitation costs were going to be as high if not higher per unit as those submitted in the first RFP. Based on the bids received from both RFP rounds, the cost to redevelop the foreclosed properties was determined to be cost prohibitive.

During the last quarter the LMHA Development Corporation submitted a request to embark on an alternative redevelopment strategy which proposed to acquire and redevelop ten vacant unimproved parcels for the new construction of 10 single-family rental units. Consequently, the Development Corporation also proposes disposal of the five foreclosed NSP authorized acquisitions.

The developer asserts that this new action plan will directly enhance the Sheppard Square HOPE VI Revitalization announced on May 23, 2011 by HUD Secretary Shaun Donovan and Louisville Mayor Greg Fischer. The Development Corporation hopes to leverage its NSP set aside funds to remove ten parcels from the large inventory of vacant parcels currently blighting the area. Because all of the proposed new construction sites are located in the Smoketown neighborhood, the project will be subject to a Part 58 Environmental Assessment. The developer has also proposed working with the local housing authority to leverage NSP units to contribute toward the HOPE VI one-for-one replacement commitment for Sheppard Square.

The developer suggests that new construction can be completed at more reasonable costs per unit and the alternative proposal was under review by the Grantee.

Accomplishments Performance Measures

| | This Report Period | | Cumulative Actual Total / Expected | |
|------------------------------------|--------------------|--|------------------------------------|--|
| | Total | | Total | |
| # of Properties | 0 | | 0/7 | |
| #Replaced thermostats | 0 | | 0/9 | |
| #Light Fixtures (indoors) replaced | 0 | | 0/9 | |
| #Low flow toilets | 0 | | 0/9 | |
| #Low flow showerheads | 0 | | 0/9 | |
| #Units w other green | 0 | | 0/9 | |
| # ELI Households (0-30% AMI) | 0 | | 0/0 | |

| | This Report Period | | Cumulative Actual Total / Expected | |
|-------------------------|--------------------|--|------------------------------------|--|
| | Total | | Total | |
| # of Housing Units | 0 | | 0/9 | |
| # of Multifamily Units | 0 | | 0/4 | |
| # of Singlefamily Units | 0 | | 0/5 | |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|---------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 0 | 0 | 0 | 0/9 | 0/0 | 0/9 | 0 |
| # Renter Households | 0 | 0 | 0 | 0/9 | 0/0 | 0/9 | 0 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

| | |
|---------------------------------|---|
| Grantee Activity Number: | 08-E1-YOUTHBUILD |
| Activity Title: | ACQUISITION, REHAB AND PUBLIC FACILITY |

Activity Category:

Acquisition, construction, reconstruction of public facilities

Activity Status:

Under Way

Project Number:

E1

Project Title:

ACQUISITION-REHAB-PUBLIC FACILITY

Projected Start Date:

07/01/2010

Projected End Date:

12/31/2011

Benefit Type:

Direct Benefit (Persons)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

YOUTHBUILD LOUISVILLE

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$750,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$750,000.00 |
| Program Funds Drawdown | \$118,626.06 | \$624,600.32 |
| Program Funds Obligated | \$0.00 | \$750,000.00 |
| Program Funds Expended | (\$367,908.26) | \$624,600.32 |
| YOUTHBUILD LOUISVILLE | (\$367,908.26) | \$624,600.32 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

THIS ACTIVITY WILL MEET THE NATIONAL OBJECTIVE, BENEFITTING LOW AND MODERATE INCOME PERSONS BY SERVING A LIMITED CLIENTELE WHOSE INCOME ARE AT OR BELOW 80 PERCENT OF AREA MEDIAN INCOME THRU THE ACQUISITION, REHABILITATION AND NEW CONSTRUCTION OF ITS PROGRAMMATIC AND ADMINISTRATIVE HEADQUARTERS
 THE RESPONSIBLE ORGANIZATION PROVIDES TRAINING AND EDUCATION PROGRAMS THAT OFFER GED COMPLETION COURSES AND PREPARATION FOR EMPLOYMENT IN CONSTRUCTION TRADES. THE FACILITY WILL PROVIDE A CENTRALIZED LOCATION FOR OPERATIONS THEREBY REDUCING RESOURCES AND TIME REQUIRED TO MANAGE LOGISTICAL CHALLENGES. ADDITIONAL SPACE FROM CREATING A GREEN-CAMPUS WILL ALLOW THE ORGANIZATION TO ACCOMMODATE MORE PARTICIPANTS AND EXPAND INTO OTHER TRAINING OPPORTUNITIES FOR ADULTS. YOUTHBUILD LOUISVILLE AVERAGES 40 YOUNG ADULT PARTICIPANTS IN THE FULL-TIME ELEVEN MONTH PROGRAM AND 50 YOUNG ADULT PARTICIPANTS IN THE PART-TIME SUMMER PROGRAM. YOUTHBUILD EXPECTS TO DOUBLE THE NUMBER OF PERSONS SERVED IN THE FULL-TIME AND PART-TIME PROGRAMS. YOUTHBUILD ALSO PLANS TO BEGIN OFFERING ONGOING TRAINING OPPORTUNITIES IN GREEN CONSTRUCTION PROFESSIONAL TRADES FOR APPROX 25 TO 150 LOW AND MODERAT INCOME ADULTS

Location Description:

CENSUS TRACT #62-SMOKETOWN NEIGHBORHOOD

Activity Progress Narrative:

Program Funds Expended this quarter total \$64,521.83 bringing the total expended to date up to \$624,600.32. A corrective entry of (\$367,908.26) was entered above to bring the quarterly and cummulative expenditures and draw amounts into balance.

Due to a delay in securing cost effective project materials and some services, the grand opening has been postponed to early 2012. Instead a "sneak-peak" event will be held on Saturday, November 12th for the project's supporters.

YouthBuild Louisville's NSP redevelopment efforts are located in the Smoketown neighborhood adjacent to a thriving middle school and the Sheppard Square HOPE VI Revitalization site. The developer is serving as its own General Contractor with the assistance provided by a professional project manager providing contractual services. The exterior framing and brickwork was completed during this quarter and the developer/general contractor began to focus on completing interior components of the new facility.

Accomplishments Performance Measures

| | This Report Period | | Cumulative Actual Total / Expected | |
|----------------------------------|--------------------|--|------------------------------------|--|
| | Total | | Total | |
| # of Properties | 0 | | 1/1 | |
| # of buildings (non-residential) | 0 | | 1/1 | |
| # of Public Facilities | 0 | | 1/1 | |
| # of Non-business Organizations | 0 | | 1/1 | |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------|--------------------|-----|-------|------------------------------------|------|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Persons | 0 | 0 | 0 | 0/90 | 0/25 | 0/115 | 0 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

| | |
|---------------------------------|---|
| Grantee Activity Number: | 08-E2-HABITAT FOR HUMANITY |
| Activity Title: | ACQUISITION, REHAB AND PUBLIC FACILITY |

Activity Category:

Acquisition, construction, reconstruction of public facilities

Project Number:

E1

Projected Start Date:

07/01/2010

Benefit Type:

Direct Benefit (Persons)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

ACQUISITION-REHAB-PUBLIC FACILITY

Projected End Date:

12/31/2011

Completed Activity Actual End Date:

Responsible Organization:

HABITAT FOR HUMANITY OF METRO LOUISVILLE

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$750,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$750,000.00 |
| Program Funds Drawdown | \$65,955.18 | \$700,300.13 |
| Program Funds Obligated | \$0.00 | \$750,000.00 |
| Program Funds Expended | (\$276,253.94) | \$700,300.13 |
| HABITAT FOR HUMANITY OF METRO LOUISVILLE | (\$276,253.94) | \$700,300.13 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

THIS ACTIVITY WILL MEET THE NATIONAL OBJECTIVE BENEFITTING LOW, AND MODERATE INCOME PERSONS BY SERVING A LIMITED CLIENTELE WHOSE INCOME ARE AT OR BELOW 80 PERCENT OF AREA MEDIAN INCOME THRU THE ACQUISITION, REHABILITATION. NSP FUNDS FOR PHASE 1 (ACQUISITION OF TWO BUILDINGS, PARTIAL REHAB OF ONE).

THE RESPONSIBLE ORGANIZATION SPECIALIZES IN PRODUCTION AND FINANCING OF SINGLE-FAMILY HOMEOWNERSHIP OPPORTUNITIES FOR LOW AND MODERATE INCOME HOUSEHOLDS. THE FACILITY WILL PROVIDE A CENTRALIZED LOCATION FOR OPERATIONS THEREBY REDUCING RESOURCES AND TIME REQUIRED TO MANAGE LOGISTICAL CHALLENGES. ADDITIONAL SPACE FROM CREATING A CENTRALIZED HEADQUARTERS WILL ALLOW THE "RESTORE" LINE OF BUSINESS TO EXPAND OPERATIONAL CAPACITY AND INCREASE REVENUES OVER TIME. THESE REVENUES WILL BE UTILIZED TO REACH A GOAL OF CONSTRUCTING 300 NEW HOMES BY THE YEAR 2019. CURRENT ANNUAL PRODUCTION IS APPROX 25 HOMES PER YEAR WITH AN AVERAGE OF 35 FAMILIES PARTICIPATING THROUGHOUT THE PIPELINE. BY THE COMPLETION OF PHASE 1,2, AND 3 HABITAT FOR HUMANITY OF METRO LOUISVILLE ANTICIPATES ANNUAL GROWTH IN PRODUCTION AND PARTICIPATION OF APPROX 10 PERCENT

Location Description:

CENSUS TRACT #23-PORTLAND NEIGHBORHOOD

Activity Progress Narrative:

Program Funds Expended this quarter total \$42,366.03 bringing the total expended to date to \$700,300.13. A corrective entry of (\$276,253.94) was entered above to bring the quarterly and cumulative expenditures and draw amounts into balance.

During the quarter ending September 30th Habitat for Humanity of Metro Louisville obtained the Certificate of Occupancy for its NSP sponsored headquarters in the Portland neighborhood. Portland is Louisville Metro's first authorized Neighborhood Revitalization Strategy Area (NRSA) and a target development area for River City Housing's NSP homeownership efforts. This

property became the permanent home for Habitat’s administrative offices, a construction shop, and storage area for building materials and supplies. The administrative offices include work space for twelve employees and several volunteers. The administrative space also includes a community room that Habitat began using to host workshops on budgeting and home maintenance. As part of the NRSA effort, Habitat joined forces with another NSP partner, New Directions Housing Corporation to implement a homeownership rehabilitation program specifically for Portland area homeowners.

Habitat for Humanity, acting as developer, has drawn all but the retainage held during Phase I construction of the facility. Release of the project fund balance will be subject to receipt of a Certificate of Actual Cost, confirmation of all green or energy efficiency measures incorporated into the project and provision of direct beneficiary data to support the limited clientele national objective.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|----------------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 1/1 |
| # of buildings (non-residential) | 0 | 2/1 |
| # of Public Facilities | 0 | 1/1 |
| # of Non-business Organizations | 0 | 1/1 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------|--------------------|-----|-------|------------------------------------|------|----------------|---|
| | Low | Mod | Total | Low | Mod | Total Low/Mod% | |
| # of Persons | 0 | 0 | 0 | 0/10 | 0/15 | 0/25 | 0 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

Grantee Activity Number: 08-E3-RIVER CITY INC

Activity Title: ACQUISITION, REHAB AND HOMEOWNERSHIP

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

E2

Project Title:

ACQUISITION-REHAB-HOMEOWNERSHIP

Projected Start Date:

07/01/2010

Projected End Date:

03/20/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

RIVER CITY HOUSING INC.

Overall

Jul 1 thru Sep 30, 2011

To Date

| | | |
|--|----------------|----------------|
| Total Projected Budget from All Sources | N/A | \$1,225,450.00 |
| Total CDBG Program Funds Budgeted | N/A | \$1,225,450.00 |
| Program Funds Drawdown | \$275,931.30 | \$800,995.31 |
| Program Funds Obligated | \$0.00 | \$1,225,450.00 |
| Program Funds Expended | (\$160,028.11) | \$800,995.31 |
| RIVER CITY HOUSING INC. | (\$160,028.11) | \$800,995.31 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

NONPROFIT DEVELOPER WHO WILL ACQUIRE AND REHABILITATE PROPERTIES FOR EVENTUAL SALE TO LOW, MIDDLE AND MODERATE INCOME HOMEBUYERS

Location Description:

AREA ADJACENT PARK DUVALLE(CT 10,127.01,128.01); SHAWNEE (CT 4,7); PORTLAND (CT 3,21,23); SMOKETOWN/SHELBY PARK(CT 62,65); NEWBURG (CT 113.01,114.04,114.05,114.06)

Activity Progress Narrative:

Program Funds Expended for the quarter were \$116,128.80 bringing the total expended to date to \$800,995.31. A corrective entry of (\$160,028.11) was entered above to bring the quarterly and cumulative expenditures and draw amounts into balance.

River City Housing's NSP activities in the Newbury and Portland neighborhoods are nearly completed. Rehabilitation on all sites was substantially completed and certificates of occupancy were obtained for each of the eight specific-sites during the quarter ending September 30th. Direct beneficiary information and performance data will be entered or updated during the next quarter after technical issues related to DRGR are addressed.

Two of the four homes in Newburg were closed previously while a third contract was pending and expected to close during the next quarter. The fourth Newburg home has seen great interest from many potential buyers. The developer entertained offers from two potential buyers, both of which resulted in failed attempts to close. In one instance the buyer opted not to pursue the purchase for personal reasons, while the other potential buyer dropped out of the negotiation when the buyer's primary financing did not come through.

During the quarter one of the four homes located in the Portland neighborhood was closed. Purchase contracts were pending on two additional Portland sites. Closing was anticipated during the next quarter once final inspections have been completed. The fourth Portland-area home was regularly shown by the developer's realtor but the most strongly interested buyers have yet

to qualify for a private mortgage.

River City Housing recognizes the challenges of the Portland neighborhood and has responded by increasing their marketing and outreach efforts. Although several families have shown interest, many are not financially ready to qualify for a private mortgage or have not completed their credit and homeownership counseling. The developer has a good reputation with neighborhood advocates and has received several buyer referrals through simple word of mouth from trusted neighborhood residents. River City Housing plans to build on its reputation and increase the intensity of its outreach efforts by reaching out to homeownership counselors, local business, religious organizations and other neighborhood institutions to connect with families who are income qualified, mortgage ready and committed to becoming homeowners in historic Portland.

| | |
|---|---|
| 2432 Rowan Street, 40212, Census Tract 21, Portland: | Sold |
| 2729 Alford Avenue, 40212, Census Tract 21, Portland: | Contract Pending |
| 2818 Rowan Street, 40211, Census Tract 3, Portland: | Pending final inspection and contract pending |
| 2712 Duncan Street, 40212, Census Tract 21, Portland: | Complete with marketing in progress |
| 4001 Naomi Drive 40219, Census Tract 114.05, Newburg: | Sold |

| | |
|--|-------------------------------------|
| 1402 Forest Drive, 40219, Census Tract 114.05, Newburg: | Sold |
| 4815 Valla Road, 40213, Census Tract 114.04, Newburg: | Contract Pending |
| 5712 Jeanine Drive, 40219, Census Tract 114.05, Newburg: | Complete with marketing in progress |

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|------------------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 0/8 |
| #Energy Star Replacement Windows | 0 | 0/3 |
| #Efficient AC added/replaced | 0 | 0/1 |
| #Replaced thermostats | 0 | 0/7 |
| #Replaced hot water heaters | 0 | 0/1 |
| #Light Fixtures (indoors) replaced | 0 | 0/7 |
| #Low flow toilets | 0 | 0/6 |
| #Low flow showerheads | 0 | 0/5 |
| #Units ζ other green | 0 | 0/7 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 1/8 |
| # of Singlefamily Units | 0 | 1/8 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|----------------|--------|
| | Low | Mod | Total | Low | Mod | Total Low/Mod% | |
| # of Households | 0 | 0 | 0 | 1/0 | 0/0 | 1/8 | 100.00 |
| # Owner Households | 0 | 0 | 0 | 1/0 | 0/0 | 1/8 | 100.00 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

| | |
|---------------------------------|---|
| Grantee Activity Number: | 08-E4-NEW DIRECTIONS HOUSING CORP |
| Activity Title: | ACQUISITION, REHAB AND HOMEOWNERSHIP |

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

E2

Projected Start Date:

07/01/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

ACQUISITION-REHAB-HOMEOWNERSHIP

Projected End Date:

03/20/2013

Completed Activity Actual End Date:

Responsible Organization:

NEW DIRECTIONS HOUSING CORPORATION

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$825,450.00 |
| Total CDBG Program Funds Budgeted | N/A | \$825,450.00 |
| Program Funds Drawdown | \$265,573.80 | \$621,897.28 |
| Program Funds Obligated | \$0.00 | \$825,450.00 |
| Program Funds Expended | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

NONPROFIT DEVELOPERS WHO WILL ACQUIRE AND REHABILITATE PROPERTIES FOR EVENTUAL SALE TO LOW, MIDDLE AND MODERATE INCOME HOMEBUYERS

System did not allow selection of "Activity is being carried out by Grantee" and input into the "Proposed budgets for organizations carrying out Activity" section. However, "No" the Grantee is not carrying out the activity; the proposed budget for this activity is \$825,450 and the responsible organization that is carrying out the activity is a non-profit organization

Location Description:

AREAS ADJACENT PARK DUVALLE(CT 10,127.01,128.01); SHAWNEE (CT 4,7); PORTLAND (CT 3,21,23); SMOKETOWN, SHELBY PARK (CT 62,65); NEWBURG(CT 113.01,114.04,114.05,114.06)

Activity Progress Narrative:

Due to a technical problem in the DRGR system, the Grantee is unable to enter quarterly expenditure amounts directly into the system for this activity. Program Funds Expended for the quarter were \$147,059.10 bringing the total expended for this activity to \$621,897.28.

New Directions Housing Corporation has completed construction on four of five properties in the Shelby Park neighborhood. As built appraisals were completed on these properties with suggested market values ranging between \$130,000 and \$140,000. The homes were initially listed in the MLS between \$120,000 and \$139,900. In response to market feedback the developer reduced the list prices to make the sale of the homes more attractive to the target buyers. List prices for these newly constructed homes were reduced by approximately eighteen to nineteen percent. The resulting list prices ranged from \$105,900 to \$119,900 based on consultation with realtor s, neighborhood attributes and market conditions. Soon after the reduction in list prices offers were accepted on four of the five sites.

Three of the pending contracts were expected to close during the next quarter. Construction on the fifth and final NSP acquisition site is scheduled to begin next quarter and the developer has already obtained a purchase contract from a potential buyer. Direct beneficiary information and performance data will be entered during the next quarter after technical issues related

to DRGR are addressed.

530 E. St.Catherine Street 40203, Census Tract 65, Shelby Park: Complete and contract pending
 532 E. St.Catherine Street 40203, Census Tract 65, Shelby Park: Complete and contract pending
 536 E. St.Catherine Street 40203, Census Tract 65, Shelby Park: Complete with marketing in progress
 538 E. St.Catherine Street 40203, Census Tract 65, Shelby Park: Complete and contract pending
 526 E. St.Catherine Street 40203, Census Tract 65, Shelby Park: Construction start pending and contract pending

Accomplishments Performance Measures

| | This Report Period | | Cumulative Actual Total / Expected | |
|----------------------------------|--------------------|--|------------------------------------|--|
| | Total | | Total | |
| # of Properties | 0 | | 0/4 | |
| #Energy Star Replacement Windows | 0 | | 0/5 | |
| #Replaced hot water heaters | 0 | | 0/5 | |
| #Units & other green | 0 | | 0/5 | |

| | This Report Period | | Cumulative Actual Total / Expected | |
|-------------------------|--------------------|--|------------------------------------|--|
| | Total | | Total | |
| # of Housing Units | 0 | | 0/5 | |
| # of Singlefamily Units | 0 | | 0/5 | |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 0 | 0 | 0 | 0/0 | 0/0 | 5/5 | 0.00 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 0/0 | 5/5 | 0.00 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

| | |
|---------------------------------|--|
| Grantee Activity Number: | 08-E5-REBOUND INC |
| Activity Title: | ACQUISITION, REHAB, AND HOMEOWNERSHIP |

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

E2

Project Title:

ACQUISITION-REHAB-HOMEOWNERSHIP

Projected Start Date:

07/01/2010

Projected End Date:

03/20/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

REBOUND, INC

| Overall | Jul 1 thru Sep 30, 2011 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$625,449.00 |
| Total CDBG Program Funds Budgeted | N/A | \$625,449.00 |
| Program Funds Drawdown | \$198,863.72 | \$406,981.25 |
| Program Funds Obligated | \$0.00 | \$625,449.00 |
| Program Funds Expended | \$136,530.71 | \$406,981.25 |
| REBOUND, INC | \$136,530.71 | \$406,981.25 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

NONPROFIT DEVELOPERS WHO WILL ACQUIRE AND REHABILITATE PROPERTIES FOR EVENTUAL SALE TO LOW, MODERATE, AND MIDDLE INCOME HOMEBUYERS.

Location Description:

AREAS ADJACENT PARK DUVALLE(CT 10,127.01,128.01); SHAWNEE (CT 4,7); PORTLAND (CT 3,21,23); SMOKETOWN/SHELBY PARK(CT 62,65); NEWBURG (CT 113.01,114.04,114.05,114.06)

Activity Progress Narrative:

Program Funds Expended during this quarter total \$72,024.29 bringing the total expended to date up to \$406,981.25.

A corrective entry of \$136,530.71 was entered above to bring the quarterly and cumulative expenditures and draw amounts into balance.

REBOUND's NSP activities are concentrated in the Shawnee and Hallmark Neighborhoods. They have acquired four (4) vacant/abandoned/foreclosed single-family properties. During the quarter ending September 30th REBOUND completed rehabilitation on two homes with the remaining two (2) at 99% completion. REBOUND's aggressive marketing efforts have resulted in obtaining purchase contracts from potential buyers for the remaining two sites. The remaining two properties are expected to be closed in early November or during the next quarter. Direct beneficiary information and performance data will be entered during the next quarter after technical issues related to DRGR are addressed.

| | |
|---|------------------|
| 408 N. 41st Street, 40212, Census Tract 4, Shawnee: | Sold |
| 2121 Allston Avenue, 40210, Census Tract 128.1, Hallmark: | Sold |
| 321 N. Shawnee Terrace, 40212, Census Tract 4, Shawnee: | Contract pending |
| 4500 Jewell Avenue, 40212, Census Tract 4, Shawnee: | Contract pending |

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|------------------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 0/4 |
| #Energy Star Replacement Windows | 0 | 0/4 |
| #Replaced thermostats | 0 | 0/4 |
| #Light Fixtures (indoors) replaced | 0 | 0/4 |
| #Low flow toilets | 0 | 0/4 |
| #Low flow showerheads | 0 | 0/4 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 0/4 |
| # of Singlefamily Units | 0 | 0/4 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|----------------|---|
| | Low | Mod | Total | Low | Mod | Total Low/Mod% | |
| # of Households | 0 | 0 | 0 | 0/0 | 0/0 | 0/4 | 0 |
| # Owner Households | 0 | 0 | 0 | 0/0 | 0/0 | 0/4 | 0 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

Grantee Activity Number: 08-F1-ADMINISTRATION

Activity Title: ADMINISTRATION

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

F

Project Title:

Administration

Projected Start Date:

01/01/2009

Projected End Date:

03/20/2013

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

Louisville Metro Department of Housing and Family

Overall

Jul 1 thru Sep 30, 2011

To Date

| | | |
|--|-------------|--------------|
| Total Projected Budget from All Sources | N/A | \$697,372.00 |
| Total CDBG Program Funds Budgeted | N/A | \$697,372.00 |
| Program Funds Drawdown | \$17,059.07 | \$253,250.17 |
| Program Funds Obligated | \$0.00 | \$697,372.00 |
| Program Funds Expended | \$20,375.80 | \$256,732.95 |
| Louisville Metro Department of Housing and Family Services | \$20,375.80 | \$256,732.95 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Administration activities to support NSP implementation.

Location Description:

Neighborhoods and concentrated areas located within the low and moderate census tracts referred to in the substantial amendment.

Activity Progress Narrative:

Administrative expenditures were \$20,375.80 for July, August and September 2011.

On September 23, 2011 HUD's Louisville Field Office issued its formal NSP monitoring report. The report contained four findings and two concerns. The Department of Community Services and Revitalization, formerly known as the Department of Housing and Family Services, began consulting with representatives from the local Community Planning and Development (CPD) office to address and correct the issues identified in the report. A formal response to the monitoring report will be forthcoming during the next quarter.

During the quarter ending September 30th the Grantee renewed its NSP technical assistance contract with the National Development Council. The contract assistance will include housing market analysis specific to the areas of greatest need and hands on single-family and multifamily underwriting training tailored to non-profit housing developers. The contract scope also includes assistance in addressing obstacles encountered with the Grantee's DRGR action plan. After all technical issues are addressed the NSP-TA team will be instrumental in finalizing a substantive revision to the action plan that captures the framework for project implementation and performance measurement. Performance measures and beneficiary data for completed home sales will be included in the next quarterly performance report after all structural modifications to the grantee's action plan are successfully completed in DRGR.

Louisville Metro continues to meet regularly with its partners and stakeholders. Construction progress updates are presented by

each developer. The balance of the discussion of each meeting addresses general administrative issues that are equally relevant to all the partners.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
