

Grantee: Louisville Jefferson County Metro Government, KY

Grant: B-08-MN-21-0001

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-MN-21-0001

Obligation Date:**Grantee Name:**

Louisville Jefferson County Metro Government, KY

Award Date:**Grant Amount:**

\$6,973,721.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Submitted - Await for Review

Submitted By:

No Submitter Found

Disasters:**Declaration Number**

NSP

Plan Description:

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.

Recovery Needs:

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 institutions, 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, Metro Louisville 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. We consider areas of greatest stress to be those Census Tract Block Groups which received the designation of 8, 9 and 10 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 10 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 Plan or infrastructure plan
- 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 this information, the Advisory Panel prioritized neighborhoods suffering disproportionate levels of foreclosure stress and deterioration of the existing housing stock. The neighborhoods outlined below will have priority in Louisville Metro's forthcoming requests for proposals. 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.

Neighborhoods designated as high priority areas receiving initial benefit from NSP and other available entitlement funds are include:

Table 1

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 provided by local governmental sources, all vacant properties in these areas will be mapped and determination will be made whether individual properties are consistent with NSP eligible use requirements. Louisville Metro will move ahead with an ongoing assessment of the specific needs of each neighborhood. 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.

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. 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 8, 9 or 10 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 identified in Table 1. Each Target Area will be further analyzed and smaller project areas will be defined based on our ability to concentrate programmatic efforts and achieve sustainable outcomes for the residents 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 proposed budget for NSP activities is outlined in Table 2 below. NSP funds will be allocated across two primary types of activities. Forty percent of NSP funding is allocated to those activities to be carried out by Louisville Metro staff. These efforts will be referred to as Direct activities and include Administration, Disposition and Acquisition. The remaining sixty percent of the NSP award will be allocated to Indirect activities, or those carried out by external or third party participants in response to periodic Requests for Proposals issued by Louisville Metro Housing and Family Services.

Louisville Metro will utilize no more than 10% of its NSP allocation for Administration. Non-NSP resources will be used for educating and informing residents about redevelopment opportunities presented through HERA and local governments efforts under the NSP.

Table 2

Proposed* NSP Entitlement Budget

\$6,973,721 NSP Award Amount 100%

NSP Activities
 \$ 697,372 Administration 10%
 \$ 697,372 Direct Disposition 10%
 \$1,394,744 Direct Acquisition 20%
 \$2,789,488 Total Direct 40%
 \$1,743,430 Indirect Finance 25%
 \$1,743,430 Indirect Production 25%
 \$ 697,372 Indirect Public Facilities 10%
 \$4,184,233 Total Indirect 60%

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

| Overall | This Report Period | To Date |
|---|--------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$6,973,720.00 |
| Total CDBG Program Funds Budgeted | N/A | \$6,973,720.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$0.00 | \$0.00 |
| Expended CDBG DR Funds | \$44,376.14 | \$44,376.14 |
| 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 |
|------------------------------------|----------------|-------------|
| Minimum Overall Benefit Percentage | \$99.99 | \$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 | \$44,376.14 |
| Limit on State Admin | \$0.00 | \$0.00 |

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

Action Plan Revision - Program Design - Delivery Methods

On July 6-7, 2009 Louisville Metro sent three management-level staff to Chicago to participate in HUD-sponsored NSP training. Staff attending included the primary Executive Administrator responsible for NSP coordination, the Executive Administrator responsible for CDBG activities within the Housing Division, and the Director of the Housing Division. Training was extremely beneficial and staff brought back a much broader understanding of the NSP requirements, administrative expectations, and implications. The federal-level training combined with the release of

the errata notice or bridge notice on June 11 have positioned Louisville Metro to rethink program delivery strategies. As such, Louisville Metro will be making revisions to the Approved Action Plan. Metro is aware that any substantive changes to the Action Plan would require both an amendment to the approved Substantial Amendment and/or another public comment period. As of this report, it is unknown whether the imminent revisions will warrant such measures. As stated in the approved Substantial Amendment, Metro remains committed to working with third party non-profit or for-profit entities to carry out NSP activities. Metro will also be considering consumer driven program delivery methods which may expedite our ability to obligate NSP funds in a timely manner.

Environmental Review

On July 23, 2009 Louisville Metro received authority to use federal grant funds on a comprehensive set of activities to be funded under the HOME, CDBG, and NSP1 block grant programs. The Federal Grants, Planning, Compliance and Monitoring Division (GPCM) of Housing & Family Services (HFS) prepared three “or unspecified-site environmental reviews for housing and other HUD-funded activities. The public comment period was satisfied and a Release of Funds was granted by the HUD Field Office. Most of Louisville Metro’s single-family housing activities (rehabilitation, new construction, demolition) are covered by these tiered reviews through the end of 2010. Site-specific environmental reviews for these single-family activities will be conducted on a case-by-case basis prior to the obligation of NSP funds.

NSP1 Commitments - Number of agreements signed

On July 15th, 2009 the Louisville Metro Housing Authority, the public housing authority for Louisville-Jefferson County, submitted a proposal under the NSP Round Two competitive funding NOFA. The “Sustainable Smoketown” initiative would concentrate entirely on one of Louisville Metro’s areas of greatest need. The Smoketown Neighborhood, also known as US Census Tract 62, was originally selected by the Housing Advisory Panel to be included as one of fourteen NSP1 Census Tracts. In support of that proposal, Louisville Metro Housing & Family Services committed \$1,000,000 in NSP1 funding for Redevelopment activities not eligible under the NSP2 ARRA funded program; including public facilities and public improvements. As of this report, Metro has not entered into any formal NSP funding agreements with subrecipients or third-party developers.

Procurement - Number of contracts awarded

To date one professional service contract has been awarded from NSP funds; more detail on that contract can be found in the Administration activity narrative. Preparations continue with regard to putting several service related contracts (e.g. appraisals, title research, property maintenance, etc.) in place. All contracts awarded from NSP will comply with our local government procurement standards. Discussions are underway to finalize scope of work or other specifications for inclusion in the planned Request for Qualifications and/or Competitive Bid packages.

Accomplishments

Louisville Metro submitted a competitive application through the Kentucky Department of Local Government (DLG) NSP1 Request for Proposals. Metro was awarded an additional \$3,500,000 to augment its NSP entitlement. Louisville Metro sent four staff to the State-sponsored NSP training on June 16-17, 2009. Metro has received further guidance from both the state and local field office with regard to not co-mingling NSP1 funds, designating NSP subrecipients, and meeting national objectives.

Project Summary

| Project #, Project Title | This Report Period | | To Date | |
|--------------------------|------------------------|------------------------|------------------------|------------------------|
| | Project Funds Budgeted | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| A, Shawnee | \$2,072,564.00 | \$0.00 | \$2,072,564.00 | \$0.00 |
| B, Portland | \$2,013,906.00 | \$0.00 | \$2,013,906.00 | \$0.00 |
| BCKT, Bucket Project | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| C, Smoketown/Shelby Park | \$1,446,884.00 | \$0.00 | \$1,446,884.00 | \$0.00 |
| D, Park DuValle | \$527,917.00 | \$0.00 | \$527,917.00 | \$0.00 |
| E, Newburg | \$215,078.00 | \$0.00 | \$215,078.00 | \$0.00 |
| F, Administration | \$697,372.00 | \$0.00 | \$697,372.00 | \$0.00 |

Activities

| | |
|---------------------------------|-----------------------|
| Grantee Activity Number: | F1 |
| Activity Title: | Administration |

Activity Category:

Administration

Project Number:

F

Projected Start Date:

11/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

02/01/2012

Responsible Organization:

Louisville Metro Department of Housing and Family

Overall**Apr 1 thru Jun 30, 2009****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 | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$0.00 | \$0.00 |
| Expended CDBG DR Funds | \$44,376.14 | \$44,376.14 |
| 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 Activities & Expenditures

The only NSP expenditures to date fall into the administrative category with \$44,376.14 expended for the first quarter. These include salaries for NSP staff, supplies, overhead costs and one professional service contract. The Center for Neighborhoods currently provides consulting services and analysis for the purpose of overall program design and implementation. Their obligation to Metro will run through December 31, 2009.

Performance Measures**No 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
