Grantee: St Paul, MN

Grant: B-09-LN-MN-0038

October 1, 2010 thru December 31, 2010 Performance Report

Grant Number:

B-09-LN-MN-0038

Grantee Name:

St Paul, MN

Grant Amount:

\$18.031.623.00

Grant Status:

Active

QPR Contact:

Joseph Musolf

Disasters:

Declaration Number

NSP

Obligation Date:

02/11/2010

Award Date:

02/11/2010

Contract End Date:

02/11/2013

Review by HUD:

Reviewed and Approved

Narratives

Executive Summary:

The City of Saint Paul received \$18,031,623 of grant funds from the United States Department of Housing and Urban Development through the Neighborhood Stabilization Program 2 (NSP2) under the American Recovery and Reinvestment Act of 2009.

The NSP2 Target Geography has been selected in a manner that will allow NSP2 activities to holistically build upon and leverage the successes of recent and current neighborhood stabilization efforts undertaken by the City: the Invest Saint Paul Initiative and NSP1. Within the NSP2 Target Geography, use of these funds will help stabilize these neighborhoods and position them for a stabilized role in a revitalized community.

The NSP2 program has a tightly defined short list of eligible activities. Saint Paul&rsquos NSP2 plan is structured around this list and may be summarized as follows:

The City will undertake the following activities in the following approximate quantities over three years:

- Financial incentives for buyers: for 86 buyers
- Acquisition and rehabilitation: 85 homes
- (B, D) Acquisition and demolition of blighted structures: 28 structures
- Land-bank vacant lots for future re-use: 28 parcels
- In addition, the City will use NSP2 program income for (E) Redevelopment activities in future years.

Target Geography:

The Saint Paul Target Geography is comprised of 18 census tracts with an average &ldquoforeclosures with vacancy risk index score&rdquo of 19.44. A map of these census tracts and a listing of their scores can be seen at www.stpaul.gov/nsp.

The NSP2 Target Geography closely mirrors a subset of the City&rsquos NSP1 area referred to as the &ldquoMarket Collapse Area.&rdquo These neighborhoods have the largest concentration of vacant homes and foreclosures in the City. Though occupying only 13 percent of the citywide land area, NSP2 Target Geography contains over 55 percent of the vacant homes and 40 percent of the foreclosed homes in the city. There are many blocks in this area containing more vacant houses than occupied houses. These were the first neighborhoods in Saint Paul hit by the housing collapse starting in 2006. Investor foreclosures started initially, followed quickly by many single-family homeowner foreclosures. Many properties in these neighborhoods have been haphazardly converted from original single-family and duplex structures to multi-family buildings that are operated as sub-par rental units. There are many blighted properties unfit for habitation that should be demolished. The values in these neighborhoods continue to deteriorate as low-value investors continue to buy cheaply and fix cheaply.

Minnesota Housing Finance Agency data suggests a greater availability of credit with unfavorable terms in the NSP2 Target Geography.

Minnesota Housing Finance Agency data suggests a greater availability of credit with unfavorable terms in the NSP2 Target Geography perhaps leading to a higher number of foreclosures and vacancies. MHFA data also indicates that the NSP2 Target Geography census tracts have lower mortgage loan approval rates than tracts in other parts of Saint Paul.

Program Approach:

(A) Financial Incentives. 86 buyers @ \$15,000 average = \$1,290,000

The City will establish financial incentive programs for purchasers of foreclosed upon homes and residential properties. These programs may be available for buyers of either rehabilitated NSP2-funded properties or other eligible foreclosed or abandoned properties.

- (B) Acquisition and Rehabilitation. 85 homes @ \$57,000 average acquisition + \$100,000 average rehabilitation = \$13,345,000 The City will acquire and rehabilitate approximately 85 abandoned or foreclosed upon homes during the first three years of NSP2. The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via other direct negotiations with property owners. Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community. The City will minimize the risk and capital requirements of our development partners to expedite this activity.
- (B, D) Acquisition, Demolition and Land Bank. 28 homes @ \$27,500 average acquisition + \$15,000 average demolition + holding costs = \$1,593,461

The City will acquire approximately 28 blighted structures and will remove these destabilizing influences via demolition. Acquisition will be either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via direct negotiations with property owners. The 28 vacant parcels will then be held in land-bank status for future re-use. NSP2 funds will be used to cover the ongoing carrying costs and maintenance of land-banked property.

(E) Redevelopment to be funded with program income in future years

NSP2 program income will be generated by future sales of rehabilitated homes and cleared lots available for redevelopment. These proceeds will fund redevelopment of vacant lots.

Administration = \$1,803,162

Ten percent of the NSP2 grant is available to cover administrative costs associated with carrying out the activities of the program.

Consortium Members:

None.

How to Get Additional Information:

Please see www.stpaul.gov/nsp or call Joe Musolf, Senior Project Manager, Department of Planning and Urban Development, City of Saint Paul at 651-266-6594.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$18,031,623.00
Total CDBG Program Funds Budgeted	N/A	\$18,031,623.00
Program Funds Drawdown	\$760,627.38	\$760,627.38
Program Funds Obligated	\$760,627.38	\$760,627.38
Program Funds Expended	\$257,011.07	\$764,024.16
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	\$0.00	\$0.00
Limit on Admin/Planning	\$1,803,162.30	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$1,803,162.30	\$1,803,162.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$4,507,905.75	\$4,507,906.00

Overall Progress Narrative:

Fourth Quarter 2010 progress has been focused primarily on acquisition and secondarily on rehabilitation activity. Acquisition activity has been scattered across much of the NSP2 target geography, but there has been effort made to continue to strategically cluster acquisitions. 24 properties were acquired. At least an additional 7 are in a negotiation phase. City staff examined many, many properties which were ultimately not acquired. Also, rehabilitation activity is underway on 9 properties.

The City of Saint Paul continues to make outreach efforts to Section 3 eligible contractors, subcontractors and individuals.

Project Summary

Project #, Project Title	This Report Period	To Date		
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown	
001, Admin	\$0.00	\$1,803,162.00	\$0.00	
002-A, Financing Mechanisms	\$0.00	\$1,290,000.00	\$0.00	
003-B, Acquisition and Rehab	\$593,777.46	\$13,345,000.00	\$593,777.46	
004-C, Land Bank	\$166,849.92	\$1,173,461.00	\$166,849.92	
005-D, Demolition	\$0.00	\$420,000.00	\$0.00	
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	

Activities

Grantee Activity Number: 001-1

Activity Title: Administration

Activity Category: Activity Status:

Administration Under Way

Project Number: Project Title:

001 Admin

Projected Start Date: Projected End Date:

02/11/2010 02/11/2013

Benefit Type: Completed Activity Actual End Date:

N/A

National Objective: Responsible Organization:

N/A City of St Paul

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,803,162.00
Total CDBG Program Funds Budgeted	N/A	\$1,803,162.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
City of St Paul	\$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:

Administrative costs associated with carrying out the activities of the program.

Location Description:

Activity Progress Narrative:

General administrative activity has consisted of (1) planning activities, (2) general program administration, (3) administrative services, and (4) special outreach activities. Specific Fourth Quarter activities included providing the public and elected officials with updates on the progress of the program, general property evaluation of numerous properties that are foreclosed, abandoned, vacant to determine if they should go into the program, processing of DRGR reports and drawdowns, and outreach to the contractor community to encourage new bidding opportunities.

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

Grantee Activity Number: 003-B-1

Activity Title: Acquisition LH

Activity Category: Activity Status:

Acquisition - general Under Way

Project Number: Project Title:

003-B Acquisition and Rehab

Projected Start Date: Projected End Date:

05/01/2010 09/30/2011

Benefit Type: Completed Activity Actual End Date:

National Objective: Responsible Organization:

NSP Only - LH - 25% Set-Aside City of St Paul

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,596,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,596,000.00
Program Funds Drawdown	\$247,316.66	\$247,316.66
Program Funds Obligated	\$247,316.66	\$247,316.66
Program Funds Expended	\$218,000.43	\$247,316.66
City of St Paul	\$218,000.43	\$247,316.66
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Direct Benefit (Households)

The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via other direct negotiations with property owners. These properties will be foreclosed or abandoned in compliance with the LH 25 activity requirements.

Location Description:

Activity Progress Narrative:

The City of Saint Paul continued to pursue numerous NSP2-eligible properties for acquisition, via various channels, including the NCST "First Look" process, negotiated bulk purchase opportunities from Fannie Mae, and direct negotiation with other owners.

6 properties were acquired.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	1/28

This Report Period	Cumulative Actual Total / Expected
Total	Total

of Housing Units 0 2/28

# of Multifamily Units	0	2/20
# of Singlefamily Units	0	0/8

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low	/Mod%
# of Households	0	0	0	0/28	0/0	0/28	0
# Owner Households	0	0	0	0/8	0/0	0/8	0
# Renter Households	0	0	0	0/20	0/0	0/20	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

Grantee Activity Number: 003-B-2

Activity Title: Acquisition LMMI

Activity Category: Activity Status:

Acquisition - general Under Way

Project Number: Project Title:

003-B Acquisition and Rehab

Projected Start Date: Projected End Date:

05/01/2010 09/30/2011

Benefit Type: Completed Activity Actual End Date:

National Objective: Responsible Organization:

NSP Only - LMMI City of St Paul

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$3,249,000.00
Total CDBG Program Funds Budgeted	N/A	\$3,249,000.00
Program Funds Drawdown	\$346,460.80	\$346,460.80
Program Funds Obligated	\$346,460.80	\$346,460.80
Program Funds Expended	\$25,703.75	\$346,460.80
City of St Paul	\$25,703.75	\$346,460.80
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Direct Benefit (Households)

The City will acquire properties either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &IdquoFirst Look&rdquo process) or via other direct negotiations with property owners.

Location Description:

Activity Progress Narrative:

The City of Saint Paul continued to pursue numerous NSP2-eligible properties for acquisition, via various channels, including the NCST "First Look" process, negotiated bulk purchase opportunities from Fannie Mae, and direct negotiation with other owners.

10 properties were acquired.

of Multifamily Units

Accomplishments Performance Measures

•		
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	7/57
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	7/57

0

0/0

	inis Report Period		Cumulative Actual Total / Expected				
	Low	Mod	Total	Low	Mod	Total Low/	Mod%
# of Households	0	0	0	0/0	0/57	0/57	0
# Owner Households	0	0	0	0/0	0/57	0/57	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

Grantee Activity Number: 003-B-3
Activity Title: Rehab LH

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number:

003-B

Projected Start Date:

07/01/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Acquisition and Rehab

Projected End Date:

02/11/2013

Completed Activity Actual End Date:

Responsible Organization:

City of St Paul

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$2,911,906.00
Total CDBG Program Funds Budgeted	N/A	\$2,911,906.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
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:

Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community. These properties will be foreclosed or abandoned in compliance with the LH 25 activity requirements.

Location Description:

of Housing Units

Activity Progress Narrative:

The City of Saint Paul has entered into a development agreement with a local Community Development Corporation to have one duplex rehabilitated and operated as rental. Other properties acquired under activity 003-B-1 will now move into this rehabilitation phase. The City of Saint Paul is also presently negotiating with Twin Cities Habitat for Humanity to work with some properties in this activity category.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	1/28
	This Report Period	Cumulative Actual Total / Expected
	Total	Total

0

2/28

# of Multifamily Units	0	2/20
# of Singlefamily Units	0	0/8

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low	/Mod%
# of Households	0	0	0	0/28	0/0	0/28	0
# Owner Households	0	0	0	0/8	0/0	0/8	0
# Renter Households	0	0	0	0/20	0/0	0/20	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources Amount

Grantee Activity Number: 003-B-4

Activity Title: Rehab LMMI

Activitiy Category:

Rehabilitation/reconstruction of residential structures

Project Number:

003-B

Projected Start Date:

07/01/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition and Rehab

Projected End Date:

02/11/2013

Completed Activity Actual End Date:

Responsible Organization:

City of St Paul

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$5,588,094.00
Total CDBG Program Funds Budgeted	N/A	\$5,588,094.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$3,396.78
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Rehabilitation activity will be carried out primarily by Community Development Corporations and other non- and for-profit development partners in the community.

Location Description:

Activity Progress Narrative:

Some of the homes in this activity category were purchased with NSP1 funds and are now being rehabilitated with NSP2 funds. And some of the homes in this category are new NSP2-funded acquisitions.

The City of Saint Paul is working with a number of local Community Development Corporations to develop scopes of work, bid the jobs out, and monitor the construction process. Two homes are now being rehabilitated, two are out for bids to general contractors, and the rest are in the scope development stage.

4 homes are under rehabilitation.

of Housing Units

Accomplishments Performance Measures

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	This Report Period	Cumulative Actual Total / Expected	
	Total	Total	
# of Properties	0	11/57	
	This Report Period	Cumulative Actual Total / Expected	
	Total	Total	

0

11/57

# of Multifamily Units	0	0/0
# of Singlefamily Units	0	11/57

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/	Mod%
# of Households	0	0	0	0/0	0/57	0/57	0
# Owner Households	0	0	0	0/0	0/57	0/57	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: 004-C-1

Activity Title: Land Banking Acquisition

Activity Category: Activity Status:

Land Banking - Acquisition (NSP Only)

Under Way

Project Number: Project Title:

004-C Land Bank

Projected Start Date: Projected End Date: 05/01/2010 03/31/2011

30/01/2010

Benefit Type: Completed Activity Actual End Date:

National Objective: Responsible Organization:

NSP Only - LMMI City of St Paul

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$770,000.00
Total CDBG Program Funds Budgeted	N/A	\$770,000.00
Program Funds Drawdown	\$166,849.92	\$166,849.92
Program Funds Obligated	\$166,849.92	\$166,849.92
Program Funds Expended	\$13,306.89	\$166,849.92
City of St Paul	\$13,306.89	\$166,849.92
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Area Benefit

The City will acquire blighted structures either via bulk purchase (through continued participation in the National Community stabilization Trust&rsquos &ldquoFirst Look&rdquo process) or via direct negotiations with property owners.

Location Description:

Activity Progress Narrative:

The City of Saint Paul continued to pursue numerous NSP2-eligible properties for acquisition, via various channels, including the NCST "First Look" process, negotiated bulk purchase opportunities from Fannie Mae, and direct negotiation with other owners. These properties have been acquired with the intent to demolish and land-bank for future redevelopment of the razed lots.

10 properties have been acquired.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	4/28

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