

**Grantee: Jefferson County, AL**

**Grant: B-08-UN-01-0001**

**April 1, 2009 thru June 30, 2009 Performance Report**

**Grant Number:**

B-08-UN-01-0001

**Obligation Date:****Grantee Name:**

Jefferson County, AL

**Award Date:****Grant Amount:**

\$2,237,876.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**QPR Contact:**

No QPR Contact Found

## Disasters:

### Declaration Number

NSP

## Plan Description:

A review of Jefferson County's overall situation indicates that for the purposes of this grant application, a large portion of the County exceeds the NSP program requirements for eligibility. Jefferson County will work within these areas where feasible but will not reject other areas of foreclosure concentration not shown under the Priority Areas of Greatest Need. The foreclosure data presented was gathered from multiple sources but, due to time constraints, should not be considered all inclusive. Foreclosure data is not static and may change rapidly with market conditions. For the purpose of this application, the summary needs data was used for identifying geographic areas of greatest need in Jefferson County. Greatest needs within the County's jurisdiction was defined through the use of available data including the: (a) Greatest percentage of home foreclosures; (b) Highest percentage of homes financed by sub-prime mortgage related loans; and (c) Identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures. Areas have been selected as Priority Areas of Greatest Need for the use of NSP funds within Jefferson County. First you will see the Priority Areas of Greatest Needs which show most, though not all the factors which were included in the analysis. Among factors considered were the Current Rate of Foreclosure, the Estimated Foreclosure Abandonment Risk Score, Income Eligibility, High Cost Loan Rate, 18 Month Problem Foreclosure Rate and USPS Residential Vacancy Rate among others. The Priority Areas of Greatest Needs are centered in multiple areas of the Jefferson County Community Development Consortium with the Consortium consisting of all of Jefferson County outside of the cities of Birmingham, Bessemer, Hoover, County Line, West Jefferson, Argo and Sumiton.

## Recovery Needs:

Jefferson County intends to make loans to one or more non-profit entities (the Developer) pursuant to Section 2301 (c)(3)(A) of the NSP Notice published in the Federal Register on October 6, 2008. The purpose of the loans will be to finance the purchase of foreclosed upon homes and residential properties for rehabilitation (or redevelopment) and resale to low, moderate and middle-income homebuyers. The loans will be secured by a promissory note and mortgage. Upon completion of the rehabilitation (or redevelopment), the Developer will sell each property to an NSP income eligible homebuyer and take back a mortgage (i.e. a promissory note secured by a lien on the property). The payments received by the Developer on the mortgages will be used by it in accordance with NSP requirements to finance the purchase and rehabilitation (or redevelopment) of additional foreclosed upon properties for subsequent resale to NSP income eligible homebuyers. The Developer will take back a mortgage on each sale. The terms of the NSP loan may provide for no interest and no principal amortization until the maturity date, and may contain such terms as may be negotiated between the Developer and Jefferson County, subject to compliance with applicable NSP requirements. The NSP loan terms will also provide for forgiveness of the Developer's repayment obligations, in whole or in part, upon completion of the approved activities, as specified in the NSP loan agreement, in accordance with NSP requirements.

### Selection of Properties

Jefferson County or its sub-recipient/developers will use current foreclosure lists for the acquisition of properties.

The emphasis will be placed on HUD foreclosures.

#### Discount Rates

A discount rate of 5% for individual purchases will be applied and 15% for purchases in aggregate. Aggregate purchases for NSP are defined as all properties that an NSP grantee purchases with its entire NSP grant. Arranging to purchase multiple properties in bulk may not have much effect on meeting the individual and aggregate purchase discount requirements. The individual discount requirement still applies to each individual house and an appraisal is required for each house.

#### Sales Price of Properties

All abandoned or foreclose-upon homes or residential properties that are purchased, redeveloped, or otherwise sold to an individual as a primary residence shall be sold at an amount equal to or less than the cost to acquire and redevelop or rehabilitate such homes or properties up to decent, safe, and habitable conditions. (Sales and closing costs are eligible NSP redevelopment or rehabilitation costs.) The maximum sales price for a property shall be determined by aggregating all costs of acquisition, rehabilitation, and redevelopment (including related activity delivery costs, which generally may include, among other items, costs related to the sale of the property). In no instance shall the sales price exceed appraised value as determined by a qualified appraiser Certified by the State of Alabama and acceptable to Jefferson County.

#### Rehabilitation Standards

Any work performed with NSP funds will comply with the 2003 International Building Code and the 2003 International Residential Building Codes as published by the International Code Council except those specifically altered by The Special Provisions promulgated by the Inspections Services Department of Jefferson County, Alabama.

#### Rehabilitation

Rehabilitation will be undertaken by Jefferson Countys sub-recipients/developers in compliance with all applicable Federal and state laws and procedures. The scope of work for units to be rehabilitation will be determined by Jefferson County Sr. Housing Rehabilitation Specialist who will also undertake all inspections.

#### Affordability

Jefferson County has adopted the HOME Program affordability standards found at 24 CFR 92.252 (a), (c), (e), and (f), and 24 CFR 92.254 to meet the continued affordability standards of the Neighborhood Stabilization Program. Utilizing these standards, Jefferson County will ensure that all NSP assisted housing remains affordable to individuals or families whose incomes do not exceed 120 percent of area median income or, for units originally assisted with funds under the requirements of section 2301 (f)(3)(A)(ii), remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income.

#### Enforcement Mechanisms

HOME rules require that assisted properties remain affordable for a specific period of time (5, 10, 15 or 20 years), depending on the activity and the level of funds invested. Participating Jurisdictions are required to place certain restrictions on assisted properties in order to preserve affordable housing in their communities. Restrictions involving the period of affordability will be incorporated in a deed restriction and/or mortgage documents or other appropriate and binding documents (Note: covenants on land may be used in lieu of deed restrictions).

Buyers/Renters will be selected and applications processed by those entities participating in this program complying with all applicable rules, laws and procedures. Files will be submitted to Jefferson County for review and approval.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$2,237,876.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,237,876.00

Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
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	\$335,681.40	\$0.00
Limit on Admin/Planning	\$223,787.60	\$0.00
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	\$559,469.00	\$560,000.00

## Overall Progress Narrative:

In the quarter ending 6/30/09 the following activities have taken place:

- Grant Agreement was received from HUD and executed by the Jefferson County Commission.
- Request for Proposals (RFP) were requested and received from 12 non-profit entities who proposed to participate in the NSP Program. The proposals were reviewed & a recommendation made for the use of 2 non-profit entities for NSP. RFP's were solicited from 93 non-profit and for-profit entities and were graded on a variety of factors including capacity, ability, experience and history of the proposing firms.
- Draft agreements for NSP have been prepared and are under review by attorney for Jefferson County.
- The ER process is nearing completion. The FONSI/RROF ad was published on 6/11/09 & the Jefferson County Commission approved the RROF on 7/7/09 (originally scheduled for 6/30/09. RROF is under review by HUD.
- Meeting are ongoing with non-profits tentatively selected for NSP funding. The purpose of these meeting is to develop cost efficient and time expedient strategies for NSP.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Administration	\$0.00	\$0.00	\$0.00
2, Program Delivery	\$0.00	\$0.00	\$0.00
3, Acquisition/Rehab.	\$0.00	\$0.00	\$0.00

4, Target Acq & Rehab	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00