Grantee: State of Tennessee

Grant: B-08-DN-47-0001

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:
B-08-DN-47-0001

Obligation Date:

Grantee Name:
State of Tennessee

Award Date:

Grant Amount:
$49,360,421.00

Contract End Date:

Grant Status:
Active

Review by HUD:
Reviewed and Approved

QPR Contact:
Mike Clinard

Disasters:

Declaration Number

NSP

Plan Description:

DEFINITIONS The following definitions apply to the NSP program even if they are used differently in the CDBG program: A. ABANDONED. A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days. 3 B. BLIGHTED STRUCTURE. A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. C. CURRENT MARKET APPRAISED VALUE. The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in accordance with the appraisal requirements of the Uniform Relocation and Property Acquisition Act at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a subrecipient, grantee, developer or individual homebuyer. D. FORECLOSED. A property ghas been foreclosed uponh at the point that, under state or local law, the mortgage or tax foreclosure is complete, and title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law. 1.2 ELIGIBLE APPLICANTS A. Units of local government including CDBG entitlement cities and Small Cities jurisdictions B. Non]profit 501(c)(3) organizations that have experience in developing, implementing and administering projects similar to NSP eligible activities and who demonstrate the financial and organizational capacity to accomplish the project. [Note: Unlike other federal programs, entitlement jurisdictions in Tennessee; namely, the city of Memphis, Nashville/Davidson County, the city of Knoxville, the city of Chattanooga and Shelby County, which are receiving a direct NSP allocation are also eligible to apply for State NSP funding.] 1.3 ELIGIBLE ACTIVITIES The purpose of NSP is to stabilize neighborhoods by purchasing and redeveloping abandoned and foreclosed properties. In addition, each NSP]funded activity must also be an Entitlement CDBG]eligible activity and meet a CDBG national objective. The following are the five eligible activities under HERA: A. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft]seconds, loan loss reserves, and shared]equity loans for low and moderate income homebuyers. This includes activity delivery costs as an eligible activity. B. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties. This also includes relocation costs, direct homeownership assistance and housing counseling. C. Establish and operate land banks for homes and residential properties that have been foreclosed upon. The land bank may not hold the property for more than 10 years without obligating the property for a specific, eligible redevelopment of that property in accordance with NSP requirements. D. Demolish blighted structures. E. Redevelop demolished or vacant properties as housing, including the new construction of housing to redevelop demolished or vacant properties.

Recovery Needs:

1.4 INELIGIBLE ACTIVITIES
A. Activities ineligible under the CDBG program;
B. Foreclosure prevention activities;
C. Demolition of structures that are not blighted;

D. Purchase of residential properties and homes that have not been foreclosed upon; and
E. Pay for any cost that is not eligible under NSP.
2. NSP REQUIREMENTS
2.1 INCOME TARGETING
Unlike the CDBG program, NSP requires that all of the funds be used with respect to individuals and families whose income does not exceed 120% of area median income.
A. "Low incomeh means a household whose income does not exceed 50% of the area median income, adjusted for family size;
B. "Moderate income" means a household whose income exceeds 50% of the area median income, adjusted for family size, but does not exceed 80% of the area median income, adjusted for family size; and,
C. gMiddle incomeh means a household whose income does not exceed 120% of the area median income, adjusted for family size.
2.2 NATIONAL OBJECTIVE
For the purposes of NSP only, an activity may meet the low] and moderate]income national objective if the assisted activity:
A. Provides or improves permanent residential structures that will be occupied by a household whose income in at or below 120% of area median income (abbreviated as LMMH);

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	$49,360,421.00
Total CDBG Program Funds Budgeted	N/A	$49,360,421.00
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	$7,404,063.15	$0.00
Limit on Admin/Planning	$4,936,042.10	$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	$12,340,105.25	$12,309,594.84

Overall Progress Narrative:

During second quarter 2009 the State of Tennessee acting through the Tennessee Housing Development Agency (THDA) geographically allocated NSP 1 funding statewide to census areas of highest need. THDA solicited RFP's from Cities/Counties/Gov't/Non-Profits to propose NSP eligible activites in the previously determined high need areas, including a special 25 % set aside for agencies participating in the state's Contiuum of Care areas seving citizens at or below 50% AMI. RFP Workshops were carried out in Knoxville, Nashville, Jackson, and Memphis. Over 80 RFP's were received by THDA. THDA staff reviewed the proposals and made recommendations for funding to the THDA Board in May, 2009 for 63 grantees, including 13 for the special 50% AMI set aside. NSP Contract Training is scheduled in Nashville and Memphis for the new grantees in early July, 2009. Contracts will begin July 1, 2009. THDA staff also added the grantees (contracts)into the DRGR system as activities with projected budgets totaling over $43 million and submitted the plan to HUD for review and approval on June 30, 2009. An additonal $5 million in contracts is in progress and will be added to DRGR as additional activites. Several of the grantees have started the initial environmental review process based on the unspecified site clearance model to expidite their projects as properties are located in the future. THDA anticipates providing grantees further environmental guidance to aid in this process. THDA and the State Historic Preservation Officer(SHPO)developed a MOU and have invited the grantees at their option to participate in the MOU to further expidite their 106 Review. Since grantee contracts do not begin until third quarter 2009, there are no specific activity reports for the second quarter 2009. Staff is anticipating the release of the new version of DRGR and will modify all activities third quarter 2009 to match the new DRGR catagories to allow for consistent reporting in the future.

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
TN-25%CoC-1, Min. 25% SET-ASIDE CoC	$0.00	$12,340,105.00	$0.00
TN-ACTIVITY A-1, ACTIVITY "A"	$0.00	$250,000.00	$0.00
TN-ACTIVITY B-1, ACTIVITY "B" Acq/Rehab	$0.00	$21,698,243.00	$0.00
TN-ACTIVITY D-DEMO-1, ACTIVITY "D"	$0.00	$2,023,430.00	$0.00
TN-ACTIVITY E-1, ACTIVITY "E" ReDEV	$0.00	$7,000,000.00	$0.00
TN-ADM-TOT-1, TN-ADM-TOT	$0.00	$4,936,042.00	$0.00