

Grantee: Mesquite, TX

Grant: B-08-MN-48-0007

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-MN-48-0007

Obligation Date:**Grantee Name:**

Mesquite, TX

Award Date:**Grant Amount:**

\$2,083,933.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

The Neighborhood Stabilization Program (NSP) funds are authorized by the Housing and Economic Recover Act of 2008 (HERA) for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties. B. DISTRIBUTION AND USES OF FUNDS Provide a narrative describing how the distribution and uses of the grantees NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Note: The grantees narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories. Response: The City will distribute funds to areas where properties meeting NSP requirements can be found. Activities will include purchasing, rehabilitating, demolishing/rebuilding vacant/foreclosed homes which will be made available to qualifying low- to middle-income residents. The City will focus on four targeted neighborhoods and surrounding areas with foreclosure risk scores of 8, 9 or 10 (Casa View Heights, Truman Heights, Mesquite Park, and Sherwood Forest) and an area of Creek Crossing. Creek Crossing has newer housing and these homes are more likely to have been recently purchased with sub-prime mortgages and is likely to face a significant rise in the rate of home foreclosures. Creek Crossing is a NSP candidate due to need of property value stabilization. Since long-term home vacancies attract crime and create slum/blight the City is hoping to avert this by providing NSP assistance. D. LOW INCOME TARGETING Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$520,984.00. Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income. Response: The City of Mesquite will use \$520,984.00 (25% of the City's \$2,083,933.48 grant) of its NSP grant to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of AMI.

Recovery Needs:

The City of Mesquite will distribute funds to areas of Mesquite where properties meeting NSP requirements can be found. Activities will include purchasing, rehabilitating, demolishing/rebuilding vacant/foreclosed homes which will be made available to qualifying low- to middle-income residents. The City will focus on four targeted neighborhoods and surrounding areas with foreclosure risk scores of 8, 9 or 10 (Casa View Heights, Truman Heights, Mesquite Park, and Sherwood Forest) and an area of Creek Crossing.

Specifically, the City will focus NSP efforts on the following census tracts/block groups:

Casa View Heights: 179.011, 179.002, 179.003, 179.004, 179.005 (Risk Score: 9)

Truman Heights: 177.021, 177.022, 177.023 (Risk Score: 8)

Mesquite Park: 174.001, 174.002, 174.003, 174.004 (Risk Score: 9)

Sherwood Forest: 176.031, 176.032, 176.033 (Risk Score: 10)

Creek Crossing: 173.061, 173.062 (Risk Score: 9)

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantees jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdictions consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the States own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entitys own plan.

Response:

The City of Mesquite will focus on some of the areas of greatest need which have a foreclosure risk score of 8, 9 or 10 (see Attachment A). This includes the four CDBG eligible target neighborhoods (see Attachment B) Casa View Heights, Mesquite Park, Truman Heights and Sherwood Forest as well as a newer area of the city, Creek Crossing.

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Casa View Heights: 179.011, 179.002, 179.003, 179.004, 179.005 (Risk Score: 9)

Truman Heights: 177.021, 177.022, 177.023 (Risk Score: 8)

Mesquite Park: 174.001, 174.002, 174.003, 174.004 (Risk Score: 9)

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B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantees NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Note: The grantees narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

The City will distribute funds to areas where properties meeting NSP requirements can be found. Activities will include purchasing, rehabilitating, demolishing/rebuilding vacant/foreclosed homes which will be made available to qualifying low- t middle-income residents. The City will focus on four targeted neighborhoods and surrounding areas with foreclosure risk scores of 8, 9 or 10 (Casa View Heights, Truman Heights, Mesquite Park, and Sherwood Forest) and an area of Creek Crossing. Creek Crossing has newer housing and these homes are more likely to have been recently purchased with sub-prime mortgages and is likely to face a significant rise in the rate of home foreclosures. Creek Crossing is a NSP candidate due to need of property value stabilization. Since long-term home vacancies attract crime and create slum/blight the City is hoping to avert this by providing NSP assistance.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of blighted structure in context of state or local law.

Response:

The City of Mesquite has adopted the definition of blighted structure as written in the October 8, 2008 Federal Register: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

(2) Definition of affordable rents. Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program specific requirements such as continued affordability.

Response:

The City of Mesquite has adopted the HOME program standard of affordable rents at 24 CFR 92.252(a), (c), (e) and (f).

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The City of Mesquite will ensure continued affordability for NSP assisted housing by adopting the minimum period of affordability of the HOME program standards at 92.252(a), (c), (e) and (f) and 92.254. The minimum period of affordability based on investment of NSP funds is as follows:

Under \$15,000 the affordability period is 5 years
\$15,000 to \$40,000 the affordability period is 10 years
Over \$40,000 the affordability period is 15 years

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

All NSP assisted housing rehabilitation activities will comply with Housing Quality Standards and City of Mesquite building codes.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$520,984.00.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

The City of Mesquite will use \$520,984.00 (25% of the City's \$2,083,933.48 grant) of its NSP grant to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of AMI.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., 80% of area median income).

If so, include:

The number of low- and moderate-income dwelling units i.e., 80% of area median income reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.

The number of NSP affordable housing units made available to low-, moderate-, and middle-income households i.e., 120% of area median income reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).

The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

Over a period of eighteen months the City of Mesquite will purchase 3-4 vacant lots or vacant foreclosed homes in extremely poor condition. Properties will be demolished and 3-4 new structures will be constructed for families in the 50% AMI range. Income from the program will be reinvested in acquiring additional foreclosed properties. Homes can be constructed and sold in a manner similar to the Habitat for Humanity project. These properties will be located in one or two of the target neighborhoods.

The City will also purchase and remodel 8-10 homes in an area where foreclosures are highest and lower housing values will impact the surrounding area. Creek Crossing will most likely be the target area. These remodeled homes will then be sold to families meeting 120% AMI or below income range. Income generated from home sales will be reinvested into the Purchase/Remodel/Sell Program in the same defined area. Homes must be purchased at least 10% below market value based on the lenders future costs to maintain the vacant structure. The City will maintain the property until sold. The sale of the property must be below the market value.

To the extent practical, the City of Mesquite will avoid the involuntary displacement of any residential household. However, if an involuntary displacement should occur, the City will provide housing referral assistance and will, if required, make relocation assistance payments in accordance with local, state and federal law.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

The City of Mesquite posted a preliminary NSP budget in the Mesquite News on October 24, 2008. A Public Hearing was held on November 3, 2008. No comments were received at the hearing or otherwise.

The City posted a draft of the NSP Substantial Amendment on the Citys website November 14, 2008. No comments, either oral or written, were received.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,083,933.00
Total CDBG Program Funds Budgeted	N/A	\$2,083,933.00
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	\$312,589.95	\$0.00
Limit on Admin/Planning	\$208,393.30	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The City of Mesquite is in the process of selecting a realtor for the NSP program. The realtor that is selected will find properties/vacant lots in Mesquite that meet NSP criteria for the City to consider purchasing.

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
BCKT, Bucket Project	\$0.00	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$2,083,933.00	\$0.00	\$2,083,933.00	\$0.00