

# THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

## SUBSTANTIAL AMENDMENT

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### Introduction

Title III of Division B of the Housing and Economic Recovery Act of 2008 (hereinafter “HERA”) provides emergency assistance to states and localities for the redevelopment of abandoned and foreclosed homes. The program is known as the Neighborhood Stabilization Program (NSP1). The focus of this program is the purchase, management and resale of foreclosed and abandoned properties for the purpose of stabilizing neighborhoods. Unless HERA provides otherwise, grants must comply with Community Development Block Grant (CDBG) requirements.

Minnesota Housing was named the grantee for the State of Minnesota NSP1 funds in the amount of \$38.8 million on September 2008. The grant agreement was signed by the Department of Housing and Urban Development (HUD) on March 20, 2009 with a four year term, ending March 20, 2013. The [2008 Action Plan](#) described Minnesota Housing’s distribution method, eligible applicants, application requirements, eligible uses and activities, funding cycles, and performance evaluation for NSP funds. In accordance with HUD’s Closeout Notice issued November 27, 2012, activities under the plan are authorized to continue beyond the original end date of the grant until all grantees have completed all units with NSP program fund investments, and these units have met the National Objective requirement of the plan.

Minnesota Housing sub granted the \$ 38 million to 21 local units of government. 13 remain active. Subrecipients have earned \$12 million in program income and anticipate approximately \$5 million in program income by the program’s closeout. Including program income, the grant’s total is currently \$55 million. All activities will continue to be funded in accordance with NSP funding guidelines and the targeting requirements described in this Action Plan.

The plan is amended to include administrative recommendations to be presented to Minnesota Housing’s Board of Directors at the June 2013 board meeting. The administrative strategies of this Substantial Amendment to the plan ensure the success of the grant, and improve the closeout timeline. Furthermore, the amended plan describes the methodology used to re-assess the areas of greatest need, and the proposed reallocation of funds and program income among the subrecipients who remain active under the grant.

Except for certain limitations described on Section B, all eligible uses identified in HERA continue to be eligible under the State NSP funds. These activities are:

- Acquisition and rehabilitation for homeownership;
- Acquisition and rehabilitation for rental;
- Establishing land banks;
- Demolition of blighted structures; and
- Redevelopment of demolished or vacant structures.

Minnesota Housing will undertake an evaluation of the uses and outcomes achieved with NSP funding. The funding agreement requires subrecipients to provide progress updates to assist Minnesota Housing in its quarterly evaluation efforts.

### **Timelines**

The \$38.8 million was granted in 2009. The program income has extended the end date of this grant for several years. Minnesota Housing has updated its [NSP1 Timeline](#) accordingly and will negotiate a closeout date with HUD 90 days before the actual closeout.

An email notice of the availability of the draft substantial amendment to the 2008 Action Plan and comment period is scheduled for May 30, 2013. The comment period is a 15 day period, ending June 14, 2013.

## **A. AREAS OF GREATEST NEED AND DISTRIBUTION PLAN**

### **Overview**

HERA requires that grantees that receive NSP funding “give priority emphasis and consideration to those metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income, and other areas with the 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 State or unit of general local government as likely to face a significant rise in the rate of home foreclosures.”

For more detailed information regarding the initial distribution of funds, please see the [2008 Action Plan](#).

### **Newly Established Areas of Greatest Need**

With the end date approaching in March of 2013, Minnesota Housing re-examined the areas of greatest need to determine the best use of NSP funds in years to come. The examination was based on the HERA requirements of the grant and included here is the added methodology:

There are 54 zip codes that intersect the original NSP1 target areas that are current administrators and have not already completed NSP1 activities. These zip codes are evaluated and ranked in two steps. First, zip codes are evaluated based on foreclosure need. Second, the high need foreclosure zip codes are prioritized by lower incomes and older housing stock.

### **Step 1. Evaluation of Foreclosure Need**

First, areas are evaluated for foreclosure need using the following three criteria and ranked by the sum of points:

- **Area is presently a high need foreclosure zip code.**
  - 1 Point - The zip code’s overall foreclosure index (based on each zip code’s rate of loans in delinquency, foreclosure or REO status) is above 150 or 1 ½ times greater than the average foreclosure rate in the state. Note Greater Minnesota zip codes are benchmarked to an overall Greater Minnesota rate, rather than a statewide rate. The data was from December 2012, which was the most current.
- **Area has an increasing foreclosure problem since peak of the foreclosure crisis in late 2007.**
  - 1 Point – The zip code experienced at least a 30% increase in foreclosures during the five year period December 2007- December 2012.<sup>1</sup>
- **Area has experienced substantial home price declines since the housing market peak.**

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<sup>1</sup> We also investigated 1 year and quarterly changes and found the numbers were too small in quarterly change to be sufficient for analysis, and very few showed 1 year increases.

- 2 Points – Areas in the top 10% of zip codes or cities for price declines are defined as **significant price decline** areas. Zip codes had at least a 56% decline in the foreclosure market (lender-owned sales); or zip codes or cities/townships had at least a 40% decline in the traditional market (excluding lender-owned and short sales).
- OR**
- 1 Point - Areas in the top 20% of zip codes or cities for price declines and not defined as “significant price decline” areas are defined as **high price decline areas**. Zip codes had at least a 52% decline in the foreclosure market; or zip codes or cities/townships had at least a 37.2% decline in the traditional market<sup>2</sup>.

In total, 24 of the 54 zip codes achieve 2 or more points. Seven zip codes score 3 points and include areas in North Minneapolis, Brooklyn Center, East Saint Paul, Blaine, and South Saint Paul. All of these areas have a high need now, are in areas that have experienced median price declines in the top 20% of declines statewide, and had either an increasing foreclosure problem since the peak of foreclosures or a significant price decline (in the top 10% of price declines).

**Step 2. Additional Prioritization Based on Household Income and Age of Housing Stock**

The 24 high need foreclosure zip codes (those scoring 2 or 3 points) are further evaluated to prioritize areas most likely to need public investment. These zip codes are evaluated and ranked based on median household income and median age of housing, recognizing that lower income communities with older housing stock will be more challenged in accessing sufficient private capital to meet their needs. The [high need foreclosure area maps](#) visualize the ranking, with reds and oranges ranking higher than the greens and blues. [Table 1](#) describes each of these zip codes with regards to administrator and the details of the foreclosure need analysis and housing-stock and income prioritization.

**Conclusion**

The areas of greatest need are identified as the highest ranked six zip codes in table 1 for the City of Minneapolis, the City of St. Paul, and Hennepin County.

**B. DISTRIBUTION AND USES OF FUNDS – STATE NSP GOALS**

Minnesota Housing has three goals for the NSP funding:

- 1) To maximize the revitalization and stabilization impact on neighborhoods;
- 2) To complement and coordinate with other federal, state and local investment in the targeted neighborhoods;
- 3) To preserve affordable housing opportunities in the targeted neighborhoods.

**Administrative Strategies for Closeout**

Minnesota Housing adds two goals to better focus the plan activities to secure a timely and successful closeout:

- 1) Expend all program funds.
- 2) Complete and closeout all properties invested with program funds.

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<sup>2</sup> In the 11-county Twin Cities metro area, the price decline data is based on zip code data from NorthstarMLS, provided by the Minneapolis Area Association of REALTORS® and 10K Research and Marketing. For the balance of the state, the price decline data is based on city/township data from the Minnesota Department of Revenue (including arms-length only transactions).

### **Eligible Applicants**

The grant funds were sub granted to eligible applicants in March of 2009. See the [2008 Action Plan](#) for additional information on eligible applicants under the plan. Of 21 awarded subrecipients, 13 remain active under the plan. They are: City of Minneapolis, City of St. Paul, City of Duluth, City of St. Cloud, City of Faribault, City of Rochester, City of Big Lake, City of Princeton, Hennepin County, Ramsey County, Dakota County, Anoka County, and Carver County.

The plan proposes reallocating program funds and program income among the subrecipients who will remain active under the grant's plan for years to come. NSP dollars will first be reallocated to subrecipients in need of more funds and second to subrecipients located in the high need target areas.

### **Eligible Uses and Activities**

HERA established five eligible uses of NSP funds:

- 1) Financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties;
- 2) Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop the homes and properties;
- 3) Land banking for homes that have been foreclosed upon;
- 4) Demolition of blighted structures;
- 5) Redevelopment of demolished or vacant properties.

### **Restrictions of Redevelopment of Commercial Properties**

NSP funding through Minnesota Housing may only be used for redevelopment of commercial properties if the properties' new use will be as residential structures serving households at or below 120% AMI or a public facility. Minnesota Housing's NSP funds may not be used to pay for the installation of non-housing facilities.

### **Restrictions on Demolition**

NSP funding through Minnesota Housing may be used for demolition of blighted residential structures only if the structures will be replaced with housing, commercial development, or a public facility; and commercial structures if the structures will be replaced with housing or a public facility. Demolition must be part of a plan for redevelopment of the targeted neighborhoods.

### **Application Requirements**

See the [2008 Action Plan](#) for more information

### **Funding Decisions for awarding the NSP1 grant funds in March of 2009**

Funding was sub granted based on the extent to which an eligible applicant demonstrated that:

- The funding request was part of a comprehensive plan or strategy to stabilize a neighborhood(s) or blocks including efforts to improve living conditions, preserve affordable housing opportunities, stabilize home values, address public safety, school performance, job creation and other economic development need;
- It was feasible to use the requested funding within the required timeframe;
- The applicant was maximizing opportunities to leverage other resources, both private and public; and
- The identified outcomes were achievable.

Priority was given to applications that targeted areas within one-quarter mile of existing or planned transit routes and that promoted economic diversity within the targeted areas.

### **Pool Distribution Process**

See the [2008 Action Plan](#) for more information.

### **Reporting Requirements/ Evaluation**

Subrecipients will be required to submit actual outcome numbers as compared to projected numbers on at least a quarterly basis. Interim evaluations of subrecipients' performance in the obligation and expenditure of program funds and program income will continue on a quarterly basis by Minnesota Housing. The evaluations will be conducted only on subrecipients who are still actively processing activities under the grant.

If Minnesota Housing deems that progress toward obligating or expending funds or program income is insufficient for the successful closeout of the grant, Minnesota Housing may reallocate NSP program funds or program income between subrecipients or create revolving accounts or offer direct assistance or award funds directly to project applicants. Should Minnesota Housing offer direct assistance, it may undertake any activity included in this Action Plan.

Success in the use of NSP funds is viewed not merely in the numbers of houses bought, demolished or rehabilitated, but in the extent to which neighborhoods have been restored or stabilized, meeting the criteria of a functioning market. Subrecipients will be required to submit information necessary to evaluate the success of the program.

### **C. DEFINITIONS AND DESCRIPTIONS**

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

Minnesota will allocate its funds to subrecipients in several local government jurisdictions. Though the State of Minnesota does not have a definition of "blighted structure," Minnesota Housing has modified the State's definition of "blighted area" to apply to structures. The State of Minnesota's definition of "blighted area," as modified to define a "blighted structure," follows:

Blighted Structure: Blighted structure is one which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, is detrimental to the safety, health, morals, or welfare of the community.

Subrecipients may use either the local jurisdiction's definition of "blighted structure" or Minnesota Housing's definition, and will designate which definition they will use in their application for funding to Minnesota Housing.

#### 2) Definition of "affordable rents."

Minnesota Housing will adopt the definition of affordable rents that is contained in 24 CFR §92.252(a), minus utility allowances where tenants pay utilities. This definition is consistent with the continued affordability requirements of the same section that Minnesota will adopt for the NSP program.

#### 3) Continued affordability for NSP assisted housing.

Subrecipients will be required to include in their loan documents the affordability requirements of 24 CFR §92.252(a), (c), (e) and (f), and §92.254. Affordability requirements for rental properties will be specified in the loan and/or mortgage documents, and a deed restriction or covenant similar to the HOME program. Mortgages and deed restrictions or covenants will be recorded against the property and become part of the public record.

Affordability of owner-occupied housing will be enforced by either recapture or resale restrictions. Each subrecipient will design its own recapture or resale provisions, which will be applied uniformly within

their program. NSP may fund rehabilitation of units that are being purchased by individuals, or are being rehabilitated by a legal entity that will sell the property to a homebuyer. Although NSP may not always finance both the purchase and rehabilitation, Minnesota Housing will consider these activities to fall under the affordability requirements of §92.254(a) "Acquisition with or without rehabilitation." To meet the requirements of the NSP statute and Notice, rehabilitation funding must be provided simultaneously with the purchase financing.

Forms implementing continued affordability must be reviewed by Minnesota Housing before being implemented.

4) Housing rehabilitation standards that will apply to NSP assisted activities:

Assessment: In addition to property assessment standards already required by local, state, and federal regulations properties shall also be assessed for the following (results of all Assessment activities shall be disclosed to the purchaser prior to sale):

- Any visible mold or water infiltration issues.
- Compliance with smoke detectors, carbon monoxide detection, and GFCI receptacle protection as noted below in Required Rehabilitation Activities.
- Remaining life expectancy of major building components such as roof, siding, windows, mechanical systems and electrical systems, as well as any immediate cosmetic improvements necessary in order to sell or rent the residential property.

Building Codes and Local Housing Standards: NSP-assisted housing that is rehabilitated must be rehabilitated in accordance with the State Building, Electrical, and Plumbing Codes. Upon completion, the housing must be in compliance with local housing standards. If local housing standards do not exist, the housing must meet the minimum housing quality standards (HQS) of 24 CFR 982.401.

Where local housing standards exist, subrecipients must identify the standards that will apply to their projects and provide a copy to Minnesota Housing. As projects are rehabilitated, the subrecipients must document how each project meets the local standard, or HQS if there is no local standard, for Minnesota Housing's monitoring review.

Subrecipients must identify in their application for NSP funds whether they will permit individuals purchasing homes for their own occupancy to conduct or contract for rehabilitation, the date by which such homebuyer rehabilitation must be completed, how the subrecipient will monitor progress of the rehabilitation, and the remedies the subrecipient will take if rehabilitation is not completed by the deadline.

Required Rehabilitation Activities: In addition to remediation of any deficiencies resulting from property assessment required by local, state, and federal regulations, rehabilitation activities shall include the following:

- Mold and/or water infiltration mitigation, if mold or water infiltration is observed during the Assessment. Any moldy materials that cannot be properly cleaned must be removed.
- Installation of U.L. approved smoke detection in all locations as required for new construction. At least one smoke detector must be hardwired (preferably located near sleeping rooms).
- Installation of GFCI receptacle protection in locations as required for new construction.
- Installation of carbon monoxide detection equipment in accordance with the 2006 state legislation.
- Application of relevant Green Communities Criteria with the Minnesota Overlay to any building component that is modified or altered during a financed activity; including selecting Energy Star qualified products.

Rehabilitation or stabilization of hazardous materials such as lead-based paint and asbestos must be in accordance with applicable Federal, State, and Local laws, regulations, and ordinances.

New Construction: Newly constructed housing must comply with the Minnesota Overlay to Green Communities Criteria for use with the Green Communities Criteria (Includes completing Intended Method of Satisfying Green Criteria Form and Certification – refer to Minnesota Housing’s Website)

Demolition: If a site will not be redeveloped within three months after demolition, the subrecipient must ensure that soil on the site does not pose a health hazard to the community by either verifying that the soil meets lead clearance levels, removing and replacing the soil with soil that meets clearance levels, or covering the soil with sod or some other barrier to prevent the disbursement of lead dust.

#### **D. LOW INCOME TARGETING – INCOME RESTRICTIONS**

At least \$9,712,483 of the grant funds administered by Minnesota Housing and 25% of program income will be used to house individuals and families with incomes not exceeding 50% of area median income (AMI).

Activities funded with NSP funds must benefit households with incomes at or below 120% AMI (low, moderate and middle income households). For activities that do not benefit individual households, the activity must benefit areas in which at least 51% of the residents have incomes at or below 120% AMI. Applicants should consult [HUD’s NSP website](#) for information on block group data on incomes to determine the incomes of the residents of the area in which the activities are to be undertaken.

Each subrecipient must use at least 25.4% of its funding award to house individuals and families with incomes at or below 50% AMI.

Also See Section G below for additional information required regarding specific activities.

#### **E. ACQUISITIONS AND RELOCATIONS**

In accordance with HUD’s Closeout Notice issued November 27, 2012, activities under the plan are authorized to continue beyond the original end date of the grant until all grantees have completed all units with NSP program fund investments, and these units have met the National Objective requirement of the plan. To accomplish a timely and successful closeout of the plan Minnesota Housing developed the following administrative strategies:

- 1) Minnesota Housing may reallocate uncommitted/unused program income and program fund balances, first: To provide more funds to subrecipients in need, and second to be revolved in the newly established areas of greatest need. The uncommitted/unused dollars will be recaptured from subrecipients who expended program funds and program income equal to at least 100% of their grant amount.
- 2) New acquisitions made after July 1, 2013 will be located in the newly established areas of greatest need, except for those acquisitions where due diligence was already in progress by the subrecipients within their current target area, prior to July 1.

- 3) Following the original proportionate methodology used in March of 2009, Minnesota Housing will distribute reallocated dollars in accordance with the proportionate percentages listed below:
  - a. Minneapolis 54.5%
  - b. St. Paul 31.2%
  - c. Hennepin 14.3%
- 4) Subrecipients receiving reallocated program income may retain 10% of this total for administrative expenditures.
- 5) Minnesota Housing may exchange uncommitted/unused balances of program funds and program income among subrecipients as needed for the success of the grant and to achieve an earlier closeout date.
- 6) Minneapolis, St. Paul, and Hennepin may keep and reuse current and future program income, including recaptured dollars and income from established revolving loan accounts.
- 7) Other Subrecipients may return their future program income to Minnesota Housing, including recaptured dollars for the purpose of revolving it back to subrecipients in need or subrecipients located in areas of greatest need.
- 8) All other flexibilities provided by HUD may apply.

Table 2: State of Minnesota Action Plan Summary

	<b>Total State of Minnesota</b>	Total Grant (Program Grant Funds + Program Income Received + Program Income Anticipated)	Total Program Grant Funds Awarded	Total Program Income Received	Total # of Units Projected	Funds to be used for households at or below 50% AMI	% of funds to be used for households at or below 50% AMI
A.	<b>A. Financing mechanisms</b>	\$ 3,008,442.31	\$ 2,817,939.30	\$ 190,503.01	148	\$ 1,061,320.55	35.28%
B1.	<b>B1. Acquisition Rehabilitation - Homeownership</b>	\$ 35,994,494.01	\$ 25,052,152.45	\$ 10,942,341.56	288	\$ 12,152,825.38	33.76%
B2.	<b>B2. Acquisition Rehabilitation - Rental</b>	\$ 5,135,439.33	\$ 5,088,219.60	\$ 47,219.73	75	\$ 4,304,209.38	83.81%
C.	<b>C. Land banking</b>	\$ 2,499,680.51	\$ 2,293,919.67	\$ 205,760.84	72	\$ -	0.00%
D.	<b>D. Demolition (No more than 10%)</b>	\$ 1,767,131.53	\$ 1,738,600.67	\$ 28,530.86	N/A	\$ 92,332.98	5.23%
E1.	<b>E1. Redevelopment - Homeownership</b>	\$ 3,151,881.77	\$ 2,506,540.04	\$ 645,341.73	55	\$ 992,419.22	31.49%
E2.	<b>E2. Redevelopment - Rental</b>	\$ 265,904.48	\$ 265,904.48	\$ -	21	\$ 265,904.48	100.00%
F.	<b>F. Administration (No more than 10%)</b>	\$ 3,646,563.64	\$ 3,616,145.21	\$ 30,418.43			
	<b>Sum of NSP Activities</b>	\$ 55,469,537.58	\$ 43,379,421.42	\$ 12,090,116.16	659	\$ 18,869,011.99	34.02%
	<b>Total Program Income Anticipated</b>	\$ 4,529,492.42					
	<b>Low Income Targeting (No less than 25.4%)</b>	\$ 13,990,102.08					
	<b>Grand Sum of the Grant (PF + PI)</b>	\$ 50,940,045.16					
	<b>Total Dollars Expended by Subrecipients</b>	\$ 45,840,260.79	\$ 35,544,376.92	\$ 10,295,883.87		\$ 16,455,262.07	32.30%
	<b>Dollars Remaining</b>	\$ 9,629,276.79	\$ 7,835,044.50	\$ 1,794,232.29			

Minnesota Housing awarded its NSP funds to subrecipients in March of 2009. \$3.8 million of the NSP funds granted to Minnesota Housing were allocated to administration and planning. An additional 10% of earned program income may be used for administrative expenditures.

Nearly \$35 million of the funds and \$12 million generated in program income is dedicated for projects. Based on the expected average per unit cost to NSP of \$50,000, Minnesota Housing anticipates that up to 700 units

will be assisted. Of those 700 units, at least 194 units will be available for households at or below 50% AMI. This estimate assumes that all of the \$35 million will be used for value and affordability gap assistance. If funds are used for other purposes, such as loans or land banking, the number of units will be lower.

**F. PUBLIC COMMENT**

State of Minnesota Substantial Amendment to its 2008 Action Plan  
Neighborhood Stabilization Program – NSP1

On May 30, 2013, Minnesota Housing mailed its draft substantial amendment to the 2008 Action Plan to depositories to be made available for public comment, and posted it and a notice of draft's availability on its website. The notice of the draft's availability was sent to 2,500 stakeholders by "E-News Alert," a Minnesota Housing email publication of items of interest. Official legal notices were published in the Thursday, May 30, 2013 statewide edition of the Minneapolis Star Tribune.

## G. NSP INFORMATION BY ACTIVITY

Table 3: NSP1 Eligible Uses

NSP Eligible Uses	Correlated Eligible Activities From the CDBG Entitlement Regulations
<p>(A) Establish financing mechanisms for purchase and redevelopment of <i>foreclosed upon homes and residential properties</i>, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.</p>	<ul style="list-style-type: none"> <li>As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.</li> <li>Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.</li> </ul>
<p>(B) Purchase and rehabilitate <i>homes and residential properties that have been abandoned or foreclosed upon</i>, in order to sell, rent, or redevelop such homes and properties.</p> <p>To be illustrated in DRGR as follows:</p> <ul style="list-style-type: none"> <li>B1 – for purposes of homeownership</li> <li>B2 – for rental purposes</li> </ul>	<p>Activity delivery costs for an eligible activity as defined in 24 CFR 570.206 and eligible activities defined below:</p> <ul style="list-style-type: none"> <li>24 CFR 570.201(a) Acquisition, (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance, including downpayment and closing cost assistance, mortgage interest rate reduction, lease/purchase, contract for deed (and as modified below);</li> <li>24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties.</li> <li>24 CFR 570.203 Special economic development activities.</li> </ul>
<p>(C) Establish and operate land banks for <i>homes and residential properties that have been foreclosed upon</i>.</p>	<ul style="list-style-type: none"> <li>Activity delivery costs for an eligible activity as defined in 24 CFR 570.206 and eligible activities defined below</li> <li>24 CFR 570.201(a) Acquisition and (b) Disposition.</li> </ul>
<p>(D) Demolish <i>blighted structures</i>. CDBG eligible Activity</p>	<ul style="list-style-type: none"> <li>24 CFR 570.201(a) Acquisition, (b) Disposition, and (d) Clearance for blighted structures only.</li> </ul>
<p>(E) Redevelop <i>demolished or vacant properties</i> as housing.</p> <p>To be illustrated in DRGR as follows</p> <ul style="list-style-type: none"> <li>E1 – for purposes of homeownership</li> <li>E2 – for rental purposes</li> </ul>	<p>Activity delivery costs for an eligible activity as defined in 24 CFR 570.206 and eligible activities defined below</p> <ul style="list-style-type: none"> <li>24 CFR 570.201(a) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties, Relocation, and (n) Direct homeownership assistance (as modified below).</li> <li>24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties.</li> <li>24 CFR 570.204 Community based development organizations.</li> <li>24 CFR 570.203 Special economic development activities.</li> <li>May be used for nonresidential purposes.</li> </ul>
<p>(F) Administration</p>	<ul style="list-style-type: none"> <li>24 CFR 570.206</li> </ul>

**National Objective:** (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP1 Notice—i.e., ≤ 120% AMI).

These activities meet the HERA 2008 Notice low-, moderate- and middle-income national objective by providing housing that will be occupied by households with incomes at or below 120% AMI.

The Land Bank activity meets the HERA low-, moderate- and middle-income national objective by serving an area in which at least 51% of the residents have incomes at or below 120% AMI.

**Limited Conditions:** Administration and Demolition costs are each limited to 10% of grant funds. Subrecipient's allowable administrative cost is specified in their contract with Minnesota Housing.

**Projected Start Date:** March 20, 2013 - HUD signing Minnesota Housing's agreement

**Projected End Date:** 2015 - 2016

**Responsible Organization:** Of 21 responsible organizations, 13 remain actively processing the activities of Minnesota's State grant. They are: Anoka County, Carver County, Dakota County, Hennepin County, Ramsey County, City of Duluth, City of Big Lake, City of Minneapolis, City of Princeton, City of Rochester, City of St. Cloud, City of Faribault, and City of St. Paul. Additional information regarding their programs may be found in the Subrecipient Program Descriptions in Section I of the Action Plan. The following responsible organizations have completed their projects under the grant, and these projects have met an NSP National Objective. They are: City of Buffalo, City of Elk River, City of Isanti, Montgomery County, City of Monticello/Otsego, Scott County, Washington County, and City of Zimmerman.

**General Terms Under Which Assistance Will be Provided:** The role and structure of NSP funds in financing acquisition and/or rehabilitation are unknown at this time, but will be determined by each subrecipient and specified in their applications to Minnesota Housing. Possibilities include contracts for deed or a participation in contracts for deed; first or second mortgages, either amortizing or deferred and participation in such mortgages; grants; low- or no-interest construction financing; downpayment and closing cost assistance.

Generally, financing provided by subrecipients to homeowners for acquisition and/or rehabilitation will be without interest, except for circumstances in which the charging of interest or fees are necessary to pay documented costs associated with the financing mechanism. To the extent NSP funds provide a first lien or equivalent primary financing, such financing mechanisms may be priced at an interest rate that is no greater than the interest rate charged on Minnesota Housing mortgage revenue bond programs, currently 5.5%. Financing provided to other entities for acquisition and redevelopment may carry interest rates of 0% to market rates for equivalent types of financing, with terms no longer than 30 years.

**Activity Description:** Subrecipients may provide financing to purchase and redevelop foreclosed homes and residential properties which will be made available for sale to or rental by households with incomes up to 120% AMI. These activities will be available for subrecipients serving any of the areas of greatest need if it is deemed by them in their application to be a priority activity. Recipients of financing may be developers or homebuyers.

These activities permit the acquisition of blighted foreclosed homes for demolition and possible public facility type interim use (community gardens, for example) until final sale of the property within ten years for a purpose that will benefit the remaining housing in the neighborhood.

Subrecipients choosing to pursue the land bank activity must define the geographic area of the land bank and document that at least 51% of residents have incomes at or below 120% AMI.

Subrecipients using NSP funds for demolition must describe short-term and long-term plans for the use of the land, including how and who will maintain the vacated property until it is redeveloped and the timeframe for likely redevelopment of the property. Demolition plans should include a strategy for assembling land for redevelopment and not simply demolition on a case-by-case basis. Subrecipients are encouraged to plan interim community uses for vacant land such as community gardens, playgrounds and parks.

Subrecipients intending to use NSP funds for land banking must describe how the use of the land bank will facilitate housing affordable to the targeted incomes and how it will assist in stabilizing neighborhoods. Land banks must operate in specific, defined geographic areas.

Subrecipients choosing to undertake the demolition activity must define the geographic area in which it will occur and document that at least 51% of residents have incomes at or below 120% AMI. Blighted structures lower property values and are a nuisance and hazard to residents because they are often subject to vandalism, stripped of fixtures and amenities, and harbor illegal activities. Removal of those negative influences on a neighborhood is a benefit to area residents

Subrecipients may choose to redevelop demolished or vacant properties to provide permanent housing or public facilities (such as parks) that benefit the surrounding residential area. Redevelopment for commercial purposes will not be permitted. Subrecipients choosing to redevelop properties that were previously abandoned or foreclosed upon to provide housing must specify how many of the units to be produced will be occupied by households with incomes less than 50% AMI. Tenants of redeveloped properties, whether homebuyers or renters, will benefit from living in new structures that fully meet codes and standards and are affordable, within the definitions of 24 CFR §92.252 and §92.254. Property that is redeveloped for residential purposes must meet the affordability requirements of 24 CFR §92.252(a), (c), (e) and (f) if rental property, or §92.254 for homeownership housing.

The acquisition discount from current appraised value for foreclosed homes and residential properties will be at minimum 1% per property. Minnesota Housing will maintain a data base of acquired properties, their market value, and the discount at purchase. From this data, Minnesota Housing will be able to determine whether it and its subrecipients are meeting the minimum average discount target of 1%.

Homebuyers will benefit from this activity as foreclosed homes are brought back on line and sold to them at less than cost. Subrecipients will use either the HOME recapture or resale requirements as the minimum means to meet the continued affordability requirements of the Notice. The period of continued affordability will be at least as long as the period of affordability described in 24 CFR 92.254(a)(4). Recapture requirements and affordability periods will be defined by the subrecipients in their applications to Minnesota Housing for NSP funding and must equal or exceed the requirements of 24 CFR 92.254. But, as with the HOME requirements of 24 CFR 92.254 (a)(5), the requirement that the property continue to be occupied by NSP-eligible owners will expire with recapture of the NSP investment. Subrecipients will be required to include in their loan documents the affordability requirements of 24 CFR §92.252(a), (c), (e) and (f), which are identical to those of the HOME program. The role and structure of NSP funds in financing acquisition and/or rehabilitation may include first or second mortgages, either amortizing or deferred and participation in such mortgages; grants; low- or no-interest construction financing.

Renters with incomes up to 120% AMI will benefit from this activity as foreclosed residential properties are brought back on line and made available for rent.

Of \$3,884,992 available for general administration, Minnesota Housing allocated \$500,000 for its general administration of NSP; and subrecipients are eligible for \$3,384,992.

Minnesota Housing Finance Agency is the state's responsible organization.

Address: 400 Sibley Street, Suite 300  
St. Paul, MN 55101

Agency Contact: Ruth Simmons  
(651) 297-5146  
ruth.simmons@state.mn.us

**Location Description:** Description includes specific addresses, blocks and neighborhoods Activities will be made available in any of the greatest need areas of each of the subrecipient's agreement.

**Budget Range:**  
NSP \$38.8 to \$56 million  
Private \$10.0 to \$20 million

#### **H. PERFORMANCE MEASURES**

See Table 2 under Section E. See also Table 4 under Section I.

**I. SUBRECIPIENT PROGRAM DESCRIPTIONS**

Table 4: NSP1 Active Awardees

<b>13 NSP1 Awardees Remain Active</b>					
<b>Awardee</b>	<b>Activity</b>	<b>Grant Total</b>	<b>Projected Unit Count</b>	<b>Units Met National Objective</b>	<b>Projected Unit Count Remaining</b>
<b>Greater Minnesota</b>					
Big Lake	Financing mechanism, Acquisition/Rehabilitation, Demolition, Redevelopment	\$ 1,625,104.81	16	8	8
Duluth	Acquisition/Rehabilitation	\$ 2,007,770.00	25	25	0
Faribault	Acquisition/Rehabilitation	\$ 1,382,610.89	6	5	1
Princeton	Financing mechanism, Acquisition/Rehabilitation, Demolition	\$ 761,140.30	7	5	2
	Multifamily Redevelopment	\$ 265,904.48	16	0	16
	Land Banking	\$ 47,197.29	1	0	1
Rochester	Acquisition/Rehabilitation, Redevelopment	\$ 4,558,168.66	28	25	3
Carver	Acquisition/Rehabilitation, Demolition	\$ 1,221,612.14	4	3	1
St. Cloud	Financing mechanism, Acquisition/Rehabilitation, Demolition	\$ 2,014,037.51	45	45	0
<b>Metro</b>					
Minneapolis	Acquisition/Rehabilitation, Demolition, Redevelopment	\$ 7,963,066.42	116	59	57
	Land Banking - Final Use pending	\$ 1,506,544.90	47	0	47
St. Paul	Financing mechanism, Acquisition/Rehabilitation, Demolition, Redevelopment	\$ 8,814,065.52	49	27	22
	Land Banking	\$ 494,016.58	15	0	15
<b>Suburban Metro</b>					
Anoka	Acquisition/Rehabilitation, Demolition	\$ 7,146,621.22	35	25	10
Dakota	Acquisition/Rehabilitation, Demolition	\$ 730,758.26	4	4	0
	Land Banking	\$ 451,921.74	4	0	4
Hennepin	Financing mechanism, Acquisition/Rehabilitation, Demolition, Redevelopment	\$ 7,371,467.03	49	41	8
Ramsey	Financing mechanism, Acquisition/Rehabilitation, Redevelopment	\$ 2,788,653.00	24	20	4

**Grand Total of Budgets for Subrecipients Remaining: \$ 51,150,660.75      491      292      199**

Grant Totals include Program Funds, Program Income, and Program Income Anticipated

**Grant dollars expended by Remaining Subrecipients: \$ 9,562,315.54**

**Program Income Anticipated by Remaining Subrecipients: \$ 4,529,492.42**

<b>Anoka County</b>		
<b>Subrecipient Name</b>	Anoka County	
<b>Uses</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The County will continue to post and sale properties that have been developed and will continue construction on already-acquired properties. The County will not acquire new properties.  To date, the County is 148% expended. The County has set aside 25.1% for lower income households and has expended 60.3% of this set aside.  Once the County has completed the projects that it has already started, it will return any remaining Program Funds and Program Income to Minnesota Housing. Following closeout of Minnesota Housing's program, the County will maintain Program Income received through recapture.	
<b>Location Description</b>	The County target area continues to include the same zip codes originally stated on the plan: 55303, 55304, 55434, 55448, 55433, 55316, 55330.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$3,506,643.00
	Program Income Earned to date.	\$2,503,712.26
	Anticipated program income	\$1,136,265.96
<b>Total Budget for Activity</b>	<b>\$7,146,621.22</b>	
<b>Performance Measures</b>	The County has completed 25 properties and has acquired 10 properties that are pending. Two of these properties are on the market to be sold and two are under construction. The County will apply its current funds to complete and closeout these projects. Any funds remaining upon completion of the 10 projects will be given to Minnesota Housing for reallocation.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	Anoka County
	<b>Location</b>	2100 Third Avenue, Suite 700 Anoka, MN 55303
	<b>Administrator Contact Info</b>	Kate Thunstrom <a href="mailto:Kate.Thunstrom@co.anoka.mn.us">Kate.Thunstrom@co.anoka.mn.us</a>

[Anoka target area](#)  
[Anoka Budget](#)

<b>The City of Big Lake</b>		
<b>Subrecipient Name</b>	The City of Big Lake	
<b>Uses</b>	Select all that apply:	
	<input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input checked="" type="checkbox"/> Eligible Use D: Demolition	
<input checked="" type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The City will continue to utilize development partners who have participated in NSP1 activities to complete the last projects in their plan. To date the City is 116% expended. 28% of funds are set aside for lower income households, with 23% expended. The City will revolve program income as needed on the projects remaining. Once the last units are completed all excess program income will be returned to Minnesota Housing.	
<b>Location Description</b>	The City target area continues to include the same zip codes originally stated on the plan. These are 55330, 55371, 55309, and 55398 See the link below for a target area map.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$ 1,214,520.86
	Program Income Earned to date.	\$277,619.06
	Anticipated program income	\$132,964.90
<b>Total Budget for Activity</b>		<b>\$ 1,625,104.81</b>
<b>Performance Measures</b>	The City has acquired 16 units, all single family homes of which eight were demolished with NSP resources. Redevelopment for homeownership purposes is planned for these last eight units to complete their program. The subrecipient anticipates additional obligations of \$ 265,000. With only \$81,855.44 funds remaining, the subrecipient was identified as needing more funds to complete their projects. Additional program funds are being recommended for the successful completion of the program.	
<b>Projected Start Date</b>	3-20-2009	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	The City of Big Lake
	<b>Location</b>	160 Lake Street North Big Lake, MN 55309
	<b>Administrator Contact Info</b>	Todd Bodem <a href="mailto:todd.bodem@ci.big-lake.mn.us">todd.bodem@ci.big-lake.mn.us</a>

[Big Lake target area](#)

[Big Lake Budget](#)

<b>Carver County</b>		
<b>Subrecipient Name</b>	Carver County	
<b>Uses</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The County currently has its last unit on the market. The sale of this unit is expected to generate \$200,000 in program income. The County is 138% expended with 61.38% set aside for low-income households.  The County will have additional reimbursement requests before it has completed its activities under the grant, such as remaining administrative expenditure reimbursements. Any uncommitted/unused funds and program income will be returned to Minnesota Housing for reallocation to other subrecipients.	
<b>Location Description</b>	The County target area continues to include the same zip code originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$ 735,000.00
	Program Income Earned to date.	\$276,612.14
	Anticipated program income	\$210,000.00
<b>Total Budget for Activity</b>		<b>\$ 1,221,612.14</b>
<b>Performance Measures</b>	The County has completed and closed 3 properties. It has one property remaining to sell. Program income generated from the sale of this project will be returned to Minnesota Housing for revolving to other subrecipients.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	Carver County
	<b>Location</b>	705 Walnut Street North Chaska, MN 55318
	<b>Administrator Contact Info</b>	Brenda Lano brendal@carvercda.org

[Carver target area](#)  
[Carver Budget](#)

<b>Dakota County</b>		
<b>Subrecipient Name</b>	Dakota County	
<b>Uses</b>	Select all that apply:	
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input checked="" type="checkbox"/> Eligible Use C: Land Banking	
	<input checked="" type="checkbox"/> Eligible Use D: Demolition	
<input type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The County intends to develop the 3 land banked properties for resale within the next 3 years. A fourth land banked property will be sold to Habitat for Humanity for development in 2015.	
	The County is 100% expended with 36.1% of expenditures dedicated to low-income households.	
	The County will keep its remaining funds to maintain and develop the four land banked properties. Upon the close of Minnesota Housing's program, Dakota will report any additional program income received directly to HUD.	
<b>Location Description</b>	The County target area continues to include the same zip codes originally stated on the plan: 55024, 55075, 55044.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$1,017,930.00
	Program Income Earned to date.	\$158,841.75
	Anticipated program income	\$5,908.25
<b>Total Budget for Activity</b>		<b>\$ 1,182,680.00</b>
<b>Performance Measures</b>	The County has completed and closed 4 properties, and has met a temporary national objective by land banking an additional 4 properties. The County intends to develop the 4 land banked properties by 2016.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	Dakota County
	<b>Location</b>	1228 Town Centre Drive Eagan, MN 55123
	<b>Administrator Contact Info</b>	Katherine Kugel <a href="mailto:kkugel@dakotacda.state.mn.us">kkugel@dakotacda.state.mn.us</a>

[Dakota target area](#)

[Dakota Budget](#)

<b>City of Duluth</b>		
<b>Subrecipient Name</b>	Anoka County	
<b>Uses</b>	Select all that apply:	
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input type="checkbox"/> Eligible Use D: Demolition	
<input type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The City just recently sold its last completed project. It is currently processing remaining reimbursement requests and is determining administrative expenditures for upcoming monitoring activities. Any balances remaining after the reimbursements are processed will be returned to Minnesota Housing for reallocation to other subrecipients. To date, the City is 99% expended, with only \$19,506.46 remaining. The City has expended 28.48% to benefit low income households. It also has a revolving loan account for their contract for deed program. Following closeout of Minnesota Housing’s program, the City will maintain Program Income received through recapture and through its revolving loan account to revolve these funds in more eligible NSP activities.	
<b>Location Description</b>	The City target area continues to include the same zip codes originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$1,985,000.00
	Program Income Earned to date.	\$0.00
	Anticipated program income – FROM RLF	\$22,770.00
<b>Total Budget for Activity</b>		<b>\$2,007,770.00</b>
<b>Performance Measures</b>	The City has acquired, rehabbed, and resold 25 properties. Any funds remaining from administrative expenditures will be returned to Minnesota Housing for reallocation.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	City of Duluth
	<b>Location</b>	407 City Hall Duluth, MN 55802
	<b>Administrator Contact Info</b>	Karen Olesen <a href="mailto:Kolesen@duluthmn.gov">Kolesen@duluthmn.gov</a>

[Duluth target area](#)

[Duluth Budget](#)

<b>The City of Faribault</b>		
<b>Subrecipient Name</b>	The City of Faribault	
<b>Uses</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The City has sold its one remaining property to Habitat for Humanity, who will develop and resell this property to meet a national objective. The City is 118% expended with 56.9% of expenses dedicated to low-income housing.  The City has no additional expenses related to the completion and close-out of properties but has remaining administrative expenses. The City will keep \$6,710.83 for these administrative expenses. Any expenses remaining after the reimbursement of administrative expenses will be returned to Minnesota Housing for reallocation to other subrecipients.	
<b>Location Description</b>	The City target area continues to include the same zip code originally stated on the plan: 55021.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$ 800,000.00
	Program Income Earned to date.	\$541,539.19
	Anticipated program income	\$41,071.70
<b>Total Budget for Activity</b>		<b>\$ 1,382,610.89</b>
<b>Performance Measures</b>	The City has completed and closed 5 properties. It has one property remaining to close. This property was sold to Habitat for Humanity, who will develop and resell the property.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	The City of Faribault
	<b>Location</b>	209 1 <sup>st</sup> Avenue NW Faribault, MN 55021
	<b>Administrator Contact Info</b>	Peter Waldock <a href="mailto:pwaldock@ci.faribault.mn.us">pwaldock@ci.faribault.mn.us</a>

[Faribault target area](#)  
[Faribault Budget](#)

<b>Hennepin County</b>		
<b>Subrecipient Name</b>	Hennepin County	
<b>Uses</b>	Select all that apply:	
	<input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input checked="" type="checkbox"/> Eligible Use D: Demolition	
<input checked="" type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The County is currently processing their acquisition rehab activities. They completed all the homebuyer driven activities, which provided assistance directly to homebuyers in the purchase of foreclosed homes.  To date, the County is 120% expended, with \$1,039,388.70 of program funds and \$418,396.47 of program income remaining. The County has set aside 36.44% of funds for low income households and has expended 26.66%. Following closeout of Minnesota Housing's program, the County will maintain Program Income received through recapture to revolve these funds into eligible NSP activities.	
<b>Location Description</b>	The County target area continues to include the same zip codes originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$4,715,298.00
	Program Income Earned to date.	\$2,386,498.05
	Anticipated program income	\$269,670.98
<b>Total Budget for Activity</b>		<b>\$7,371,467.03</b>
<b>Performance Measures</b>	The County has primarily provided assistance directly to homebuyers for the acquisition of foreclosed homes. It also acquired, rehabbed, and resold four units for resale in the community. In total the County has processed 41 properties under its grant with Minnesota Housing.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	Hennepin County
	<b>Location</b>	300 South 6 <sup>th</sup> Street Minneapolis, MN 55487
	<b>Administrator Contact Info</b>	Tonja West-Hafner <a href="mailto:tonja.west-hafner@co.hennepin.mn.us">tonja.west-hafner@co.hennepin.mn.us</a>

[Hennepin target area](#)

[Hennepin Budget](#)

<b>City of Minneapolis</b>		
<b>Subrecipient Name</b>	City of Minneapolis	
<b>Uses</b>	Select all that apply:	
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input checked="" type="checkbox"/> Eligible Use C: Land Banking	
	<input checked="" type="checkbox"/> Eligible Use D: Demolition	
<input checked="" type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	<p>The City is currently processing its activities under the grant. Because most of their transactions only use NSP for gap purposes, not much program income has been generated. Their program includes land banking and demolition activities. The City will examine market conditions to determine whether to begin selling its land banked inventory this year.</p> <p>To date, the City is 102% expended, with \$734,903.58 of program funds remaining. 44.07% is set aside to benefit low income households, 35.39% is expended. Following closeout of Minnesota Housing's program, the City will maintain Program Income received through recapture to revolve these funds into eligible NSP activities.</p>	
<b>Location Description</b>	The City target area continues to include the same zip codes originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$8,401,272.00
	Program Income Earned to date.	\$898,026.69
	Anticipated program income	\$170,312.63
<b>Total Budget for Activity</b>	<b>\$9,469,611.32</b>	
<b>Performance Measures</b>	Of 163 units, 47 are land banked and 59 are documented sold or rented. 43 land banked properties have met a temporary National Objective, leaving 57 units to be completed.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	City of Minneapolis
	<b>Location</b>	105 Fifth Avenue South, Suite 200 Minneapolis, MN 55401
	<b>Administrator Contact Info</b>	Elfric Porte <a href="mailto:elfric.porte@minneapolismn.gov">elfric.porte@minneapolismn.gov</a>

[Minneapolis target area](#)

[Minneapolis Budget](#)

City of Princeton									
<b>Subrecipient Name</b>	City of Princeton								
<b>Uses</b>	Select all that apply: <input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input checked="" type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment								
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.								
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)								
<b>Activity Description</b>	<p>The City acquired, rehabbed, and resold 5 single family units. It acquired, demolished and land banked 1 unit. It also acquired and demolished 3 groups of 4 townhouse units with the intent to sell to a developer and redevelop a multifamily rental project of 16 units. The City continues to work with the options it has for the multifamily project. Lastly it has invested its last funds in two additional projects pending to be set up. The City has presented its case for land banking these units instead of redeveloping them right away. At this time Minnesota Housing has not classified them as land banks. Additional funds are being considered for Princeton to address the redevelopment of the multifamily project and the two newly acquired blighted, foreclosed, and abandoned properties.</p> <p>To date, the City is 127% expended, with only \$66,395.71 remaining. The City has set aside 61.86% to benefit low income households. This percentage is subject to the successful completion and rental of the 16 rental units.</p>								
<b>Location Description</b>	The City target area continues to include the same zip codes originally stated on the plan.								
<b>Budget</b>	<table border="1"> <thead> <tr> <th>Source of Funding</th> <th>Dollar Amount</th> </tr> </thead> <tbody> <tr> <td>NSP1 (including administration)</td> <td>\$796,254.00</td> </tr> <tr> <td>Program Income Earned to date.</td> <td>\$277,988.07</td> </tr> <tr> <td>Anticipated program income</td> <td>\$0.00</td> </tr> </tbody> </table>	Source of Funding	Dollar Amount	NSP1 (including administration)	\$796,254.00	Program Income Earned to date.	\$277,988.07	Anticipated program income	\$0.00
Source of Funding	Dollar Amount								
NSP1 (including administration)	\$796,254.00								
Program Income Earned to date.	\$277,988.07								
Anticipated program income	\$0.00								
<b>Total Budget for Activity</b>	<b>\$1,074,242.07</b>								
<b>Performance Measures</b>	Of eight single family units acquired, the city has rehabbed and resold five. It demolished and land banked one, and is currently considering to land bank two additional units. The City recently advertised its RFP for the 16 unit multifamily rental project, which did not generate interest. The City is pursuing additional options.								
<b>Start Date</b>	3/20/2013								
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.								
<b>Responsible Organization</b>	<table border="1"> <tbody> <tr> <td><b>Name</b></td> <td>City of Princeton</td> </tr> <tr> <td><b>Location</b></td> <td>705 2<sup>nd</sup> Street North Princeton, MN 55371</td> </tr> <tr> <td><b>Administrator Contact Info</b></td> <td>Carie Fuhrman <a href="mailto:CFuhrman@princetonmn.org">CFuhrman@princetonmn.org</a></td> </tr> </tbody> </table>	<b>Name</b>	City of Princeton	<b>Location</b>	705 2 <sup>nd</sup> Street North Princeton, MN 55371	<b>Administrator Contact Info</b>	Carie Fuhrman <a href="mailto:CFuhrman@princetonmn.org">CFuhrman@princetonmn.org</a>		
<b>Name</b>	City of Princeton								
<b>Location</b>	705 2 <sup>nd</sup> Street North Princeton, MN 55371								
<b>Administrator Contact Info</b>	Carie Fuhrman <a href="mailto:CFuhrman@princetonmn.org">CFuhrman@princetonmn.org</a>								

[Princeton target area](#)

[Princeton Budget](#)

<b>Ramsey County</b>		
<b>Subrecipient Name</b>	Ramsey County	
<b>Uses</b>	Select all that apply:	
	<input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input type="checkbox"/> Eligible Use D: Demolition	
<input checked="" type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The County is currently processing their acquisition rehab activities. They completed all the homebuyer driven activities, which provided assistance directly to homebuyers in the purchase of foreclosed homes.  To date, the County is 183% expended, with \$8,847.17 of program funds remaining. The County has set aside 40.58% of funds for low income households and has expended 33.95%. Following closeout of Minnesota Housing's program, the County will maintain Program Income received through recapture to revolve these funds into eligible NSP activities.	
<b>Location Description</b>	The County target area continues to include the same zip codes originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$1,378,753.00
	Program Income Earned to date.	\$1,172,400.00
	Anticipated program income	\$237,500.00
<b>Total Budget for Activity</b>		<b>\$2,788,653.00</b>
<b>Performance Measures</b>	The County acquired, rehabbed, and resold units for resale in the community. In total the County has processed 20 properties under its grant with Minnesota Housing, and has four more remaining. It is anticipated that the County will require additional funds to complete the four properties remaining. Minnesota Housing will reallocate funds as needed.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	Ramsey County
	<b>Location</b>	15 West Kellogg Boulevard St. Paul, MN 55102
	<b>Administrator Contact Info</b>	Denise Beigbeder <a href="mailto:denise.beigbeder@co.ramsey.mn.us">denise.beigbeder@co.ramsey.mn.us</a>

[Ramsey target area](#)

[Ramsey Budget](#)

<b>City of Rochester</b>		
<b>Subrecipient Name</b>	City of Rochester	
<b>Uses</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The City has completed all its units and currently has its last three units on the market for sale. Any balances remaining after the sale of the last projects will be returned to Minnesota Housing for reallocation to other subrecipients. To date, the City is 219% expended, with \$131,894.95 of program income remaining. 60.42% is set aside to benefit low income households, 43.87% is expended. Following closeout of Minnesota Housing's program, the City will maintain Program Income received through recapture to revolve these funds into eligible NSP activities.	
<b>Location Description</b>	The City target area continues to include the same zip codes originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$1,985,000.00
	Program Income Earned to date.	\$2,503,274.82
	Anticipated program income	\$69,893.84
<b>Total Budget for Activity</b>		<b>\$4,558,168.66</b>
<b>Performance Measures</b>	Of 28 properties, only 3 remain to be sold under their acquisition, rehab program. Any funds remaining will be returned to Minnesota Housing for reallocation to other subrecipients.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	City of Rochester
	<b>Location</b>	201 4 <sup>th</sup> Street Southeast, Room 266 Rochester, MN 55904
	<b>Administrator Contact Info</b>	Theresa Fogarty <a href="mailto:fogarty.theresa@co.olemsted.mn.us">fogarty.theresa@co.olemsted.mn.us</a>

[Rochester target area](#)

[Rochester Budget](#)

<b>City of St. Cloud</b>		
<b>Subrecipient Name</b>	City of St. Cloud	
<b>Uses</b>	Select all that apply: <input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The City just recently sold its last completed project. It is currently processing remaining reimbursement requests and is determining administrative expenditures for upcoming monitoring activities. Any balances remaining after the reimbursements are processed will be returned to Minnesota Housing for reallocation to other subrecipients. To date, the City is 104% expended, with only \$19,770.52 of program funds and \$10,282.90 of program income remaining. The City has expended 37.49% to benefit low income households. Following closeout of Minnesota Housing's program, the City will maintain Program Income received through recapture to revolve these funds into eligible NSP activities.	
<b>Location Description</b>	The City target area continues to include the same zip codes originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$1,900,000.00
	Program Income Earned to date.	\$114,037.51
	Anticipated program income	\$0.00
<b>Total Budget for Activity</b>		<b>\$2,014,037.51</b>
<b>Performance Measures</b>	The City has primarily provided assistance directly to homebuyers for the acquisition of foreclosed homes. It also acquired, rehabbed, and resold four units for resale in the community. In total the City has processed 45 properties under its grant with Minnesota Housing. Any funds remaining from will be returned to Minnesota Housing for reallocation to other subrecipients.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	City of St. Cloud
	<b>Location</b>	1225 West St. Germain Street St. Cloud, MN 56301
	<b>Administrator Contact Info</b>	Stephanie Gertken <a href="mailto:sgertken@st.cloudhra.com">sgertken@st.cloudhra.com</a>

[St. Cloud target area](#)

[St. Cloud Budget](#)

<b>City of St. Paul</b>		
<b>Subrecipient Name</b>	City of St. Paul	
<b>Uses</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input checked="" type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	See Section G in the Action Plan. All activities in Section G are available to the subrecipient should the need arise.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH) Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The City is currently processing its activities under the grant. Because most of their transactions only use NSP for gap purposes, not much program income has been generated. Their program includes land banking and demolition activities. The City will examine market conditions to determine whether to begin selling its land banked inventory this year.  To date, the City is 104% expended, with \$520,683.33 of program funds remaining. 52.77% is set aside to benefit low income households, 46.12% is expended. Following closeout of Minnesota Housing's program, the City will maintain Program Income received through recapture to revolve these funds into eligible NSP activities.	
<b>Location Description</b>	The City target area continues to include the same zip codes originally stated on the plan.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP1 (including administration)	\$6,349,780.00
	Program Income Earned to date.	\$788,053.60
	Anticipated program income	\$2,170,248.50
<b>Total Budget for Activity</b>	<b>\$9,308,082.10</b>	
<b>Performance Measures</b>	Of 64 units, 15 are land banked and 27 are documented sold or rented. 12 land banked properties have met a temporary National Objective. Currently St Paul has to complete 22 units. Minnesota Housing anticipates additional funds to be reallocated to the city to assist in the completion of units remaining.	
<b>Start Date</b>	3/20/2013	
<b>Projected End Date</b>	Subject to all NSP invested projects completed and meeting an NSP National Objective.	
<b>Responsible Organization</b>	<b>Name</b>	City of St. Paul
	<b>Location</b>	25 West 4 <sup>th</sup> Street, Suite 1300 St. Paul, MN 55102
	<b>Administrator Contact Info</b>	Roxanne Young <a href="mailto:roxanne.young@ci.stpaul.mn.us">roxanne.young@ci.stpaul.mn.us</a>

[St. Paul target area](#)

[St. Paul Budget](#)