

Grantee: Hammond, IN

Grant: B-08-MN-18-0006

April 1, 2011 thru June 30, 2011 Performance Report

Grant Number:

B-08-MN-18-0006

Obligation Date:**Grantee Name:**

Hammond, IN

Award Date:**Grant Amount:**

\$3,860,473.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

Narratives**Areas of Greatest Need:**

After reviewing the data listed in Section A of this application, staff has determined that ALL areas of the City except census tract 040300-block group 5 as described on page 3 face a high risk of destabilization due to the foreclosure crisis. HUD has assigned a high risk score to 86 of the 87 census block groups in Hammond (scoring 9 or 10 out of a scale of 10).

Distribution and and Uses of Funds:

Neighborhood Stabilization Program (NSP) funds are needed to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The City will use the NSP funds to acquire, demolish, rehabilitate or otherwise redevelop foreclosed, abandoned, and vacant properties in areas of greatest need. The City will also use NSP funds to provide financing to income eligible homebuyers to acquire redeveloped properties.

Definitions and Descriptions:**Low Income Targeting:****Acquisition and Relocation:****Public Comment:****Overall****This Report Period****To Date****Total Projected Budget from All Sources**

N/A

\$3,860,473.00

Total CDBG Program Funds Budgeted

N/A

\$3,860,473.00

Program Funds Drawdown

\$861,584.43

\$3,303,457.86

Program Funds Obligated	\$0.00	\$3,860,473.00
Program Funds Expended	\$1,668,191.03	\$3,303,485.56
Match Contributed	\$0.00	\$51,134.00
Program Income Received	\$184,002.68	\$184,002.68
Program Income Drawdown	\$184,002.68	\$184,002.68

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$51,134.00
Limit on Public Services	\$579,070.95	\$0.00
Limit on Admin/Planning	\$386,047.30	\$278,893.22
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	\$965,118.25	\$2,174,425.65

Overall Progress Narrative:

Through 06/30/11 the City of Hammond has acquired 44 properties through its NSP funding, 4 of which were acquired during this reporting period. An additional property has an executed Purchase Agreement, has the Environmental Review completed, and is awaiting completion of the SHPO 106 Letter. This property is tentatively scheduled for acquisition/closings in August 2011. The delay is due primarily to the property being of historic significance in the City of Hammond. The historic significance and an attempted conversion to a multi unit (6 units) property by the previous owner, a private party property investor has caused issues with the scope of work to be performed. To date 44 Properties have been acquired: 16 have Abatement and Rehab completed and are listed for sale. Of the 16 properties 2 have been sold and closed (both LMMH 75%), 5 have executed purchase agreements and are awaiting closing (2 LMMH 75% and 3 LIH 25%), and 9 are listed for sale; 14 additional properties have abatement completed and are in various stage of rehab. 8 more properties have been abated and are awaiting rehab to begin; the rehab process should begin by 6/30/11. 6 properties are currently awaiting Abatement Bids and Rehab Bids to be awarded; all 10 should have the Bid Awards completed and accepted by 7/30/11.

The City of Hammond has developed an Affordability Assistance Allowance Program which allows for a qualified buyer to obtain 20% of the purchase price (to a maximum of \$25,000) in the form of a soft second mortgage on the property. All Purchase Agreements written and presented to the City for NSP properties include contingencies for approval of both sale and assistance. The approval/review process consists of NSP staff conducting personal interviews with buyers and obtaining buyer-provided documentation and information to insure HUD NSP Income qualifications. All buyers are also required to present certification and evidence of attendance at HUD-certified home-ownership workshops and proof of a lender's preapproval for an amount sufficient to meet the purchase price. To date all buyers have opted to utilize the Affordability Assistance Allowance with their purchases. Staff has also developed an Environmental Review Policy and Procedures Manual to assist staff in properly and consistently prepare Environmental Review documentation in regard to its acquisition and rehabilitation of NSP properties.

Staff met with HUD TA and Hammond Housing Authority (HHA) representatives to begin planning a Contingent Activity to address use of properties as Lease with Option To Purchase, specifically to the LIH 25% Allocation. Hammond Housing Authority representatives have agreed to participate in the program. Initially HHA has agreed to purchase 2 Hammond NSP properties as part of the program. Properties have been identified and will be sold pending review of documentation by legal counsel of both parties.

It should also be noted that the City of Hammond continues to realize significant Sheriff Sales Foreclosures in 2011. Through the 8/5/2011 Three Hundred and forty-seven properties (347) have been scheduled at the monthly Sheriff's Sales. Seven hundred and seventeen (717) foreclosures were listed for sale in the monthly Lake County Sheriff's Sales reports in 2010.

NSP Staff continues its efforts to build partnerships within the framework of NSP.

Staff has met with andoken with representatives from 11 local Mortgage Lenders: 5/3 Bank, A & M Mortgage, Lake Mortgage, Centier Bank, Harris Bank, First Financial Bank, PNC Mortgage, Guarantee Rate, Gateway Funding, 1st Mortgage Corporation, and Lake Bank. Lender's representatives have reviewed NSP documentation, including that of Hammond's NSP Affordability Assistance Allowance, and found it acceptable to their loan programs. Lenders were also given an opportunity to tour and inspect Hammond's NSP properties in various stages of abatement, rehab and completion. All were impressed with the quality of rehabilitation performed and the end results.

The City of Hammond NSP staff has now scheduled to provide OSHA Workplace Safety Training Practices for Construction Workers and a Certified Renovator Course. The training is scheduled to begin on June 15, 2011, with the capacity for an estimated 40 participants. The ten hour OSHA training session will be made available at no cost to the participants. The Certified Renovator Course will be made available to 30 participants, satisfying the HUD requirements for interim controls training (Lead Safe Work Place Practices) in Federally-Assisted target housing. Individuals completing the training will have their contact information made available to all contractors and sub contractors participating in Hammond's NSP. The Hammond NSP Contractors and sub contractors will also be invited to attend. This training session is intended to further assist the contractors and the City of Hammond NSP meet the Section 3 and Vicinity Hiring requirements of NSP. The training will be conducted at a local community center located in an area whose census tracts are designated as a Moderate Income Areas. The City of Hammond through Mayor McDermott's Discretionary fund has agreed to and budgeted for an \$8,000 allocation to pay for the expenses related to this training. Staff has contacted the North Township Trustee's Office in an effort to obtain a listing of those seeking financial assistance and/or employment. Those individuals will be invited to attend the training sessions.

After NSP Staff scheduled a Section 3 Training Session (April 20, 2011) to assist contractors participating in the City of Hammond NSP attain Section 3 Hiring Objectives, efforts are being made to collect data from the contractors related to Section 3 activities. A NSP Section 3 Policy and Procedures Manual has been developed to assist in Staff's monitoring of this objective.

NSP Staff had also met with representatives of 12 Lending Institutions specifically in regard to NSP. The meetings were conducted to explain the City of Hammond NSP, including its Affordability Assistance Allowance (AAA). AAA was designed by City of Hammond NSP Staff in an effort to provide financial assistance to NSP home buyers in the form of a forgivable soft second mortgage. To date 10 Lending Institutions have agreed to allow mortgage applicants to utilize the AAA.

In cooperation with Mayor McDermott's Housing Task Force, a step down brochure was developed promoting the City of Hammond as "The Place To Live." Mayor McDermott through his Discretionary Fund awarded the Mayor's Housing Task Force \$5,000 for the development and printing of the marketing literature. NSP Inserts will be developed for insertion to this brochure. The marketing material was developed and completed in time for presentation to those present at the Annual City of Hammond Realtors' Breakfast on May 19, 2011. In addition to the distribution of brochures, Staff conducted a 15 minute presentation on various aspects of Hammond's NSP to in excess of 100 realtors in attendance.

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
NSP-1, Financing Mechanisms for Purchase and Rehabilitation	\$0.00	\$0.00	\$0.00
NSP-2, ACQUISITION-REHABILITATION OF FORECLOSED	\$197,761.08	\$1,300,000.00	\$1,298,568.58

NSP-3, Land Banking	\$0.00	\$0.00	\$0.00
NSP-4, DEMOLITION OF BLIGHTED STRUCTURES	\$0.00	\$0.00	\$0.00
NSP-5, ACQUISITION-REHABILITATION OF FORECLOSED,	\$629,337.08	\$2,174,425.65	\$1,725,996.06
NSP-6, ADMINISTRATION OF THE NSP PROGRAM	\$34,486.27	\$386,047.35	\$278,893.22

Activities

Grantee Activity Number: NSP - 2.1

Activity Title: ACQUISITION-REHABILITATION

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP-2

Projected Start Date:

04/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

ACQUISITION-REHABILITATION OF FORECLOSED

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Hammond

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$1,300,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,300,000.00
Program Funds Drawdown	\$197,761.08	\$1,298,568.58
Program Funds Obligated	\$0.00	\$1,300,000.00
Program Funds Expended	\$406,395.78	\$1,298,568.58
City of Hammond	\$406,395.78	\$1,298,568.58
Match Contributed	\$0.00	\$0.00
Program Income Received	\$103,197.17	\$103,197.17
Program Income Drawdown	\$43,543.70	\$43,543.70

Activity Description:

The City will purchase and rehabilitate foreclosed homes and properties in target areas. Homes will be bought at a minimum discount of fifteen percent from the appraised value. Units will be sold to homebuyers whose household income is at or below 120% of the area median income.

Location Description:

Foreclosures throughout the City. Specific addresses yet to be determined. Locations will be based on areas of greatest need.

Activity Progress Narrative:

Through 6/30/11 all 18 LMMH 75% activity locations had been acquired by the City of Hammond.

Of the 18 acquired properties with the exception of 842 176th Street, 912 Mulberry Street, 7218 Monroe, 1748 Davis Avenue, and 937 174th Place are in the process of Completion, Abatement and/or Rehabilitation.

Properties acquired through the LMMH 75% Allocation are: 1748 Davis Avenue, 912 Mulberry Street, 6928 Magoun Avenue, 3918 Henry Avenue, 7218 Monroe Avenue, 842 176th Street, 6513 Idaho Avenue, 6324 Nebraska Avenue, 937 174th Place, 6411 Forest Avenue, 7338 Magoun Avenue, 6918 Jackson Avenue, 7505 Magnolia Avenue, 935 175th Street, 4019 Johnson Avenue, 7228 Wicker Avenue, 1621 173rd Place, and 6229 Rev. Burns Drive.

1) 7505 Magnolia Avenue was completed and listed for sale for \$113,500. The property sold to a LMMH75% Household and closed on April 13, 2011 for \$113,500.

2) 6928 Magoun Avenue was completed and listed for sale for \$90,000. The property sold to a LMMH75% Household and closed on April 28, 2011 for \$90,000.

3) 3918 Henry Avenue was completed and listed for sale for \$84,000. The property has been sold to a LMMH75% Household with an anticipated closing date of 7/25/11.

4) 6918 Jackson was completed and listed for sale for \$95,000. The property has been sold to a LMMH75% Household for \$95,000 with an anticipated closing date of 8/5/11.

5) 6513 Idaho was completed and listed for sale for \$119,000.

6) 6229 Rev. Burns Drive is completed and will be listed for sale for \$114,000 by 7/7/11.

- 7) 6324 Nebraska Avenue has the Abatement process completed and is in the process of Rehabilitation.
- 8) 7338 Magoun Avenue has the Abatement process completed and is scheduled to start Rehabilitation.
- 9) 7228 Wicker Avenue has the Abatement process completed and will be scheduled to start Rehabilitation.
- 10) 6411 Forest Avenue is in the process of Abatement.
- 11) 1621 173rd Place does not require Abatement and is scheduled to start Rehabilitation.
- 12) 935 175th Street has the Abatement process completed and is in the process of Rehabilitation.
- 13) 4019 Johnson Avenue has the Abatement process completed and is scheduled to start Rehabilitation.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	1/12

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	1	1/12

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	1	1	0/0	1/12	1/12	100.00

Activity Locations

Address	City	State	Zip
7505 Magnolia Avenue	Hammond	NA	46324

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: NSP - 5.1

Activity Title: Acquisition/Rehab of Foreclosed Properties

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

NSP-5

Project Title:

ACQUISITION-REHABILITATION OF FORECLOSED,

Projected Start Date:

04/01/2009

Projected End Date:

03/31/2014

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

City of Hammond

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$2,174,425.65
Total CDBG Program Funds Budgeted	N/A	\$2,174,425.65
Program Funds Drawdown	\$629,337.08	\$1,725,996.06
Program Funds Obligated	\$0.00	\$2,174,425.65
Program Funds Expended	\$1,084,771.22	\$1,725,996.06
City of Hammond	\$1,084,771.22	\$1,725,996.06
Match Contributed	\$0.00	\$0.00
Program Income Received	\$80,805.51	\$80,805.51
Program Income Drawdown	\$140,458.98	\$140,458.98

Activity Description:

The City will use funds to rehabilitate foreclosed, vacant properties into affordable housing within target areas. At least \$965,118.37 will be used for the purchase and rehabilitation of properties that will benefit households whose incomes do not exceed 50% of the area median income in order for this activity to meet the NSP statutory requirements. That 25% (\$965,118.37) of NSP funds are to serve those at or below 50% of AMI, The City of Hammond will ensure the property that is rehabilitated will be secured by deed restrictions to for all units to comply with the affordability periods of the HOME Program (24 CFR 92.252(e) for rental and 92.254(a)(4) for homebuyer). Homes will be bought at a minimum discount of one percent from the appraised value.

Location Description:

Vacant foreclosed properties throughout the City. Specific addresses yet to be determined.

Activity Progress Narrative:

Activity 5.1

Through 6/30/11 26 of the 27 activity locations had been acquired by the City of Hammond. 223 Williams Street is considered a property of historic significance with detailed rehabilitation plans being prepared prior to the SHPO Letter is prepared.

- 1) 6351 Monroe Avenue is completed and listed for sale for \$92,500. The property has been sold to a LI25% Household with an anticipated closing date of 8/2/11.
- 2) 4135 Towle Avenue is completed and listed for sale for \$102,500. The property has been sold to a LI25% Household with an anticipated closing date of 8/4/11.
- 3) 1242 177th Place is completed and listed for sale for \$95,500. The property has been sold to a LI25% Household with an anticipated closing date of 8/3/11.
- 4) 6334 Tennessee Avenue is completed and listed for sale for \$90,000.
- 5) 6750 Forestdale Avenue is completed and listed for sale for \$116,000.
- 6) 3815 165th Street is is completed and listed for sale for \$92,500.
- 7) 6823 Parrish Avenue is completed and listed for sale for \$91,000.

- 8) 1107 Morris Street is completed and listed for sale for \$82,500.
- 9) 7339 Howard Avenue is completed and listed for sale for \$94,000.
- 10) 7221 Missouri Avenue is completed and listed for sale for \$96,500.
- 11) 5624 Beall Avenue has the Abatement process completed and is in the process of rehabilitation.
- 12) 6146 Ray Street has the Abatement process completed and is in the process of rehabilitation.
- 13) 4930 Ash Avenue has the Abatement process completed and is in the process of rehabilitation.
- 14) 2707 162nd Place has the Abatement process completed and is in the process of rehabilitation.
- 15) 1321 Indiana Street has the Abatement process completed and is in the process of rehabilitation.
- 16) 3018 Crane Avenue has the Abatement process completed and is in the process of rehabilitation.
- 17) 6631 Missouri Avenue has the Abatement process completed and is in the process of rehabilitation.
- 18) 6712 Colorado Avenue has the Abatement process completed and is in the process of rehabilitation.
- 19) 1013-15 May Street had a substantially delayed acquisition/closing to due title defects being addressed by the Owner and its legal counsel. Abatement is scheduled to begin in July 2011.
- 20) 933 170th Place has had Abatement and Rehabilitation Bids presented and approved.
- 21) 4930 Ash Avenue had Abatement and Rehabilitation Bids presented, approved, and awarded. Abatement has been completed.
- 22) 1128 Mulberry Street had Abatement and Rehabilitation Bids presented and approved.
- 23) 7038 Lyman Avenue has had Abatement and Rehabilitation Bids presented and approved. The Abatement is in process.
- 24) 824 Wilcox Street had Abatement and Rehabilitation Bids presented and approved.
- 25) 537 Hoffman Street had Abatement and Rehabilitation Bids presented and approved.
- 26) 4615 Johnson Avenue had Abatement and Rehabilitation Bids presented and approved.
- 27) 223 Williams Street has yet to be acquired, but has the Environmental Review completed.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	1	1/21

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	1	1/21

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	1	1	0/21	1/0	1/21	100.00

Activity Locations

Address	City	State	Zip
6928 Magoun Avenue	Hammond	NA	46324

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: NSP - 6.1

Activity Title: Administration

Activity Category:

Administration

Project Number:

NSP-6

Projected Start Date:

04/01/2009

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

ADMINISTRATION OF THE NSP PROGRAM

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Hammond

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$386,047.35
Total CDBG Program Funds Budgeted	N/A	\$386,047.35
Program Funds Drawdown	\$34,486.27	\$278,893.22
Program Funds Obligated	\$0.00	\$386,047.35
Program Funds Expended	\$177,024.03	\$278,920.92
City of Hammond	\$177,024.03	\$278,920.92
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The City will pay for staff and other delivery costs to ensure the NSP program is run effectively and satisfies all federal requirements.

Location Description:

Not Applicable for Administration

Activity Progress Narrative:

City of Hammond NSP staff continues to utilize Administration funding to support certain functions not related to the direct acquisition and development of NSP properties: staff salary and benefits, consultant fees/expenses not directly attributable to the the acquisition and development of properties...

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
