

Jul 1, 2009 thru Sep 30, 2009 Performance Report

Grant Number:
B-08-DN-22-0001

Obligation Date:

Grantee Name:
State of Louisiana

Award Date:

Grant Amount:
\$34,183,994.00

Contract End Date:

Grant Status:
Active

Reviewed By HUD:
Reviewed and Approved

QPR Contact:
No QPR Contact Found

Disasters:

Declaration Number

NSP

Plan Description:

Under the Housing and Economic Recovery Act (HERA) of 2008, the U.S. Department of Housing and Urban Development (HUD) allocated \$34,183,994 in grant funds to the State of Louisiana. It has been determined that the Louisiana Office of Community Development (OCD) will receive the allocated grant funds, referred to as the Neighborhood Stabilization Program (NSP). The Office of Community Development has designated the Louisiana Housing Finance Agency (LHFA) as the lead agency in distributing and monitoring the expenditures of these funds according to the guidelines outlined by HERA and guidance published in the October 6, 2008 Federal Register. OCD will be responsible for the oversight of the agreement between OCD and LHFA which will define the roles and responsibilities of each agency. Activities included in the NSP Substantial Amendment provide for the allocation of NSP funds to areas of greatest need identified throughout the State of Louisiana. The funds are intended to return foreclosed, abandoned or blighted property to the market in order to stabilize neighborhoods. One hundred percent of NSP funds must be used to benefit individuals and households that do not exceed 120% of area median income (AMI). Twenty five percent of the funds must be used to benefit persons at or below 50% AMI. OCD and the LHFA strongly encourage grantees to use NSP funds not only to stabilize neighborhoods in the short-term, but to strategically incorporate modern, green building and energy efficient improvements in all NSP activities to provide for long term affordability and increased sustainability and attractiveness of housing and neighborhoods.

Recovery Needs:

The State has determined the intent of this program is to stabilize neighborhoods, and given that available resources are scarce; it is in the State's best interest to designate a small area of concentrated need as the area of greatest need. By selecting this approach over one that would produce a larger area, the State believes that it will be better able to make a noticeable and significant impact on the ongoing stability of the selected neighborhoods. To determine the areas of greatest need within HUD's designated 8,661 Census Block Groups, the State considered four (4) factors using data made available by the U.S. Department of Housing and Urban Development. The review considered all block groups Statewide, including those located within jurisdictions eligible to receive a direct award of NSP funds. These factors considered were • Estimated foreclosure abandonment risk score, • HMDA high cost loan rate, • USPS residential vacancy rate and • Predicted eighteen (18) months underlying problem foreclosure rate. The process was as follows: First, the State considered the estimated foreclosure abandonment. In Louisiana these scores ranged from a low of zero

(0) for nine block groups to a high of ten (10) for eighthundred and sixty-two (862) block groups. Since the 862 block groups that received a score of 10 represented nearly ten percent (10%) of the total number of block groups, it was decided that this would be the cut off point for determining greatest need. Second, the State rated all 8,660 block groups by the percentage of high cost loans. In Louisiana the percentage of high cost loans ranged from a low of zero percent (0%) for twenty-five block groups to a high of eighty-eight and nine tenths percent (88.9%) for two block groups. The ten percent cutoff was fifty-seven and six tenths percent (57.6%). Third, the State considered the USPS residential vacancy rate. In Louisiana this rate ranged from a low of zero percent for one-thousand nine-hundred and eight (1,908) block groups to a high of forty-six and four tenths (46.4%) for two block groups. The ten percent cutoff was seven and four tenths percent (7.4%). Fourth, the State looked at the predicted eighteen (18) months underlying problem foreclosure rate. In Louisiana these ranged from a low of zero (0%) for twenty block groups to a high of twelve and three tenths (12.3%) for two block groups. The ten percent cutoff was eight and one tenth percent (8.1%). After ranking the block groups by estimated foreclosure abandonment risk score, the State then eliminated all block groups that did not also receive the minimum (top 10%) score for high cost loans. Then the State further eliminated the block groups that failed to meet the minimum 10% threshold for USPS residential vacancy, and removed any block group that was not middle, low, moderate income eligible by program rule. The above methodology left one-hundred and ninety-two (192) block groups that were deemed to have the greatest need. These 192 block groups contain 128,044 people, of which 108,298 or 84.6 percent are middle income or less. They represent those block groups scoring the most severe conditions across all four (4) of the factors for low/moderate/middle income areas and are determined to be the areas of greatest need within the State. The block groups with the greatest need as determined by the State are located primarily in North Louisiana and in the South Louisiana metropolitan areas of Baton Rouge and New Orleans. The City of Shreveport contains thirty-two percent (32%) of the one hundred and ninetytwo neediest block groups (62 total block groups), including the two block groups that scored highest on foreclosure abandonment, high cost loans and predicted 18 months underlying problem foreclosure rate. Additionally the City of Shreveport contains 35 of the 100 neediest block groups within Louisiana and four of the ten neediest. The City of Alexandria has 13 of the neediest block groups, all of which are in the top 100, eight in the top 20, and six of the ten neediest block groups. The City of Monroe and Ouachita Parish have a total of 20 of the 192 neediest block groups, including five of the twenty neediest. The City of Baton Rouge has the largest number of block groups (35) outside of Shreveport that are in the 192 neediest including six of the thirty neediest. Other areas with block groups in the 192 neediest are Orleans Parish with 14, Claiborne Parish with 12, Franklin Parish with 11, Iberia Parish with 8, Morehouse Parish and Tangipahoa Parish with 6 each and Calcasieu Parish with 5.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	32,805,435
Total CDBG Program Funds Budgeted	N/A	32,805,435
Program Funds Drawdown	358,240.73	358,240.73
Obligated CDBG DR Funds	1,183,680	1,183,680
Expended CDBG DR Funds	358,240.73	358,240.73
Match Contributed	0	0
Program Income Received	0	0
Program Income Drawdown	0	0

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99	0
Minimum Non-Federal Match	0	0
Limit on Public Services	5,127,599.1	0

Limit on Admin/Planning	3,418,399.4	358,240.73
Limit on State Admin	0	0

Progress Toward Activity Type Targets

Activity Type	Target	Actual
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Progress Toward National Objective Targets

National Objective	Target	Actual
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Overall Progress Narrative:

HUD allocated \$3.92 billion on a formula basis to 309 grantees including 55 states and territories and 254 selected local governments. The program was designed to stabilize communities across America hardest hit by foreclosures. Under the Housing and Economic Recovery Act (HERA) of 2008, the U.S. Department of Housing and Urban Development (HUD) allocated \$34,183,994 in grant funds to the State of Louisiana. It has been determined that the Louisiana Office of Community Development (OCD) will receive the allocated grant funds, referred to as the Neighborhood Stabilization Program (NSP).

The Office of Community Development has designated the Louisiana Housing Finance Agency (LHFA) as the lead agency in distributing and monitoring the expenditures of these funds according to the guidelines outlined by HERA and guidance published in the October 6, 2008 Federal Register. OCD will be responsible for the oversight of the agreement between OCD and LHFA which will define the roles and responsibilities of each agency. Staff has been hired to implement the following activities: Homeownership, Rental, Homebuyer Education and Training, Land Banking.

Awards were presented to a total of 23 grantees on a competitive basis on April 2009.

Project#, Project Title	Project Summary		
	This Report Period	To Date	To Date
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
100, OCD Administration	77,176.76	683,680	77,176.76
101, LHFA's Administration	281,063.97	2,734,719	281,063.97
200, Homeownership Development	0	3,374,684	0
201, Homeownership-120% AMI or Below	0	6,327,611	0
300, Rental-25% Set Aside 50% AMI or Below	0	4,276,950	0
301, Rental Housing Development	0	4,697,850	0
400, Land Banking Assistance	0	2,000,000	0
500, Homebuyer Counseling	0	88,500	0
600, Homebuyer Bond Program	0	10,000,000	0
9999, Restricted Balance	0	0	0
BCKT, Bucket Project	0	0	0

Project/Activity Index:

Project #	Project Title	Grantee Activity #	Activity Title
301	Rental Housing Development	<i>No activities in this project</i>	
400	Land Banking Assistance	<i>No activities in this project</i>	
BCKT	Bucket Project	<i>No activities in this project</i>	
200	Homeownership Development	<i>No activities in this project</i>	
500	Homebuyer Counseling	<i>No activities in this project</i>	
201	Homeownership-120% AMI or Below	<i>No activities in this project</i>	
101	LHFA's Administration	LHFA Admin (NSPL)	LHFA Admin (NSPL)
100	OCD Administration	OCD Admin (NSPA)	OCD Admin (NSPA)
300	Rental-25% Set Aside 50% AMI or Below	<i>No activities in this project</i>	
9999	Restricted Balance	<i>No activities in this project</i>	
600	Homebuyer Bond Program	<i>No activities in this project</i>	

Activities

Grantee Activity Number:

LHFA Admin (NSPL)

Activity Category:

Administration

Activity Title:

LHFA Admin (NSPL)

Project Number:

101

Activity Status:

Under Way

Projected Start Date:

03/20/2009

Project Title:

LHFA's Administration

National Objective:

N/A

Projected End Date:

03/20/2013

Responsible Organization:

OCD with LHFA

	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	2,734,719
Total CDBG Program Funds Budgeted	N/A	2,734,719
Program Funds Drawdown	281,063.97	281,063.97
Obligated CDBG DR Funds	500,000	500,000
Expended CDBG DR Funds	281,063.97	281,063.97

OCD with LHFA	281063.97	281063.97
Match Contributed	0	0
Program Income Received	0	0
Program Income Drawdown	0	0

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
	No Performance Measures Found					

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Experienced employees from OCD and LHFA provide training as needed to new hires. In addition, the OCD and LHFA received training from HUD, COSCDA, NeighborWorks and consultants. OCD is in close contact with our field HUD office for technical assistance. At the close of this quarter, OCD had one full-time employee servicing in the roll of program analyst. LHFA has six full-time employees consisting of an administrative assistant, manager, supervisor, three monitors. The administrative budget is used to fund salaries and related benefits, travel expenses, operating supplies and services, professional services, and inter-agency transfers.

During the pre-award process, several stakeholders meetings were held at various locations within the State to inform potential participants. Meetings were hosted to discuss the RFP process and sequence orientation for grantees. On January 7, 2009, HUD approved Louisiana Substantial Amendment Annual Action Plan and on March 20, 2009 the grant award was signed.

Awards were presented to a total of 23 grantees on a competitive basis on April 2009.

Location Description:

All designated areas

Activity Progress Narrative:

NOTE: The narrative below this line is for the period starting October 2008 (pre award) thru June 2009.

The Office of Community Development has designated the Louisiana Housing Finance Agency (LHFA) as the lead agency in distributing and monitoring the expenditures of these funds according to the guidelines outlined by HERA and guidance published in the October 6, 2008 Federal Register. OCD will be responsible for the oversight of the agreement between OCD and LHFA which will define the roles and responsibilities of each agency. Staff has been hired to implement the following activities: Homeownership, Rental, Homebuyer Education and Training, Land Banking.

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Awards were presented to a total of 23 grantees on a competitive basis on April 2009.

During the quarter ending September 2009, our team has been providing technical assistance to all of our sub-recipients by way of in-house face to face meetings as well as traveling to their office and/or the proposed site. Grant awards were presented to a total of 23 grantees. Only one award recipient withdrew; Mid-City Redevelopment, due to their inability to secure property. Three agreements have been finalized: Inner City Revitalization (Homeownership), Money Management (Homebuyer Training) and Neighborhood Housing Service (Homebuyer Training). The remaining agreements are in the process of being reviewed by our grantees. All environmental reviews and release of funds requests from HUD have been initiated and should be attained prior to the end of October 2009.

Our team has also started writing the policy manual along with other monitoring documents. OCD sent an official letter to LHFA for file documentation in an effort to address the undertaking of projects outside of the State's designated area of greatest need. (These designations were assigned by either Baton Rouge or New Orleans). Capitol City South is in the Baton Rouge NSP1 designated area. Capitol City South is a foreclosed, blighted property that we plan to demolish and build seventy rental units that meet the 25% set aside.

LHFA drawdown-281,063.97

Activity Location:

Address	City	State	Zip
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Activity Description:

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Location Description:

Areas identified as having greatest need.

Activity Progress Narrative:

Narrative for report starting October 2008 (pre award) thru June 2009.

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Drawdown amount-\$77,176.76

Activity Location:

Address	City	State	Zip
150 North 3rd Street	Baton Rouge	NA	70801

Other Funding Sources Budgeted - Detail

Match Sources	Amount
No Other Match Funding Sources Found	

Other Funding Sources	Amount
No Other Funding Sources Found	

