

Grantee: Lansing, MI

Grant: B-08-MN-26-0007

October 1, 2010 thru December 31, 2010 Performance Report

Grant Number:

B-08-MN-26-0007

Obligation Date:

03/30/2009

Grantee Name:

Lansing, MI

Award Date:**Grant Amount:**

\$5,992,160.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

Dorothy Boone

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

Population in Lansing has been declining slowly for two decades. Unemployment has increased to more than 10% city wide, and the number of vacant units topped 13% of the housing stock, even before the mortgage foreclosure crisis began to hit in full. The number of foreclosures more than tripled between 2004 and 2007. Foreclosures continued to rise through 2008 and remained high in 2009. Most of the City faces a high or very high risk of foreclosure abandonment in the next 18 months. Based on data available in fall 2008, eight areas of the city had seen a concentration of subprime lending and foreclosure activity. These were selected as NSP priority areas. They are Comstock Area, Prudden, Oak Park, Urbandale, Vision 2020, Potter Walsh, Baker Donora and Southwest Lansing neighborhoods.

Distribution and and Uses of Funds:

Activities need to take place to encourage stabilization of the housing market. Excess supply of housing needs to be reduced by acquiring and demolishing vacant blighted housing units and substandard housing that cannot be fully rehabilitated because it is located in flood prone areas. Vacant housing that is contributing to neighborhood decline needs to be rehabilitated and sold where completed units can be successfully marketed. Some vacant housing units need to be rehabilitated for rent to homeless families. Neighborhood stabilization assistance needs to be made available to help citizens mobilize themselves to combat blight and housing deterioration. Some new construction is needed on infill lots. Prospective home owners need assistance to reduce financial barriers to home ownership and overcome buyers' reluctance to purchase in an uncertain housing market. Funds need to be spent on administrative activities necessary to complete neighborhood stabilization initiatives.

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	\$5,992,160.00
Total CDBG Program Funds Budgeted	N/A	\$5,992,160.00
Program Funds Drawdown	\$1,569,760.04	\$2,998,219.33
Program Funds Obligated	\$0.00	\$5,992,160.00
Program Funds Expended	\$0.00	\$1,734,983.16
Match Contributed	\$0.00	\$267,000.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

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	\$267,000.00
Limit on Public Services	\$898,824.00	\$0.00
Limit on Admin/Planning	\$599,216.00	\$65,223.13
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	\$1,498,040.00	\$1,500,000.00

Overall Progress Narrative:

Overall progress on the Neighborhood Stabilization Program (NSP) grant is satisfactory. 100% of grant funds have been obligated and 50% of the grant award, \$2,998,219.33, was disbursed as of the end of the quarter. Planned rehabilitation, construction and demolition activities are well under way and completed units are on the market. The NSP team continues to meet weekly to make sure progress stays on track toward completing all grant activities. The priority focus began with acquisition, then moved to rehabilitation and is now shifting to occupancy and marketing for completed units and vacant lots.

Eleven units for supportive housing have been acquired and rehabilitation is progressing on schedule. This activity will satisfy the requirement to invest 25% of NSP funds for the benefit of families at or below 50% of area median income.

Bids have been awarded and rehabilitation for supportive housing is well underway. Two units were completed as of the end of the quarter, and seven additional units were under construction or substantially completed. Two more were nearly ready for bid.

Original plans were to acquire and rehabilitate up to 15 homes for occupancy by homeless families. Now that properties have been selected and specifications are completed or under way we estimate that funds will be sufficient to complete only 11 units. Some of the homes initially acquired for supportive housing turned out to be infeasible for rehabilitation. Rehabilitation costs are higher than initially estimated due to the fact that 4 and 5 bedroom units are proving to be more expensive to rehabilitate than the smaller units which were the basis for initial rough estimates used for budgeting. These larger units are needed to accommodate the large homeless families

who are most in need in our community.

Construction of the Neighborhood Empowerment Center was nearing completion as of the end of the quarter. The space intended for Head Start was completed and occupied. Most of the space planned for community organizations was also occupied. The building is energy efficient and LEED certified (Leading Energy Efficiency Design.) The remainder of the building is expected to be ready for occupancy by January. Additional funds have been allocated to this activity because other financing sources were not available according to the terms expected and the costs of financing were not feasible for affordable long term operation.

Homeowner Purchase and Rehabilitation Assistance activity was canceled because buyers have not been interested in the program. Buyers who had initially expressed interest in purchasing and rehabilitating eligible foreclosed properties ended up backing out due to their concerns about future market values and lack of confidence in their ability to control the cost of rehabilitation. In view of general buyer disinterest in this program and the end of the federal home buyer tax credit, these funds were transferred to other NSP activities where they could be fully obligated by the September 17, 2010 deadline.

Demolition/deconstruction activity overall is about 70% complete and is on schedule. A total of 40 properties have been cleared through demolition or deconstruction to date. During this quarter, demolition was completed for one property and hazardous materials surveys were done for 22es in preparation for traditional demolition.

Deconstruction was not originally planned to be part of this activity, however it has been undertaken for two properties to date. Through deconstruction approximately 70% of the material from the site is recycled or repurposed, thereby avoiding deposit in the landfill.

Rehabilitation and resale activities were originally planned for ten units. Seven properties have been completed and two of them have sold. Two more were under construction and another one was still in the rehabilitation planning stages as of the end of the quarter.

Two properties originally planned for rehabilitation have been moved to demolition because the cost of the rehabilitation work needed would exceed the cost of new construction for a similar replacement unit. Rehab costs for all units may exceed NSP funds available for this activity, however HOME funds are available to complete work on all of the units.

No problems have been encountered in finding qualified contractors to bid on the work, however new contractors continue to be sought, especially Section 3 qualified contractors and minority and women owned firms. A contractor recruitment event was held on September 30, 2010 and contractor outreach activity continues by word of mouth, through suppliers and in conjunction with the Greater Lansing Home Builders and Remodelers Association. Lead abatement training has been offered to contractors and continues to be available for Section 3 qualified firms. Disbursements for rehabilitation lag construction progress due to the time required for inspection and holdbacks to ensure final completion. Overall rehabilitation progress is on schedule.

Construction has been completed for the first of two newly constructed homes planned for development. The first new home is on a site formerly occupied by a foreclosed, blighted structure which has been demolished. It is a single story structure with attached garage and is similar in size and appearance to the existing homes surrounding it. The new home incorporates passive solar heating and universal design features and has achieved a five star plus energy rating. Total annual costs for heating, cooling, water heating, electricity and utility service charges are estimated at \$1171 (just shy of \$100 per month for 1232 square feet.). It has achieved a LEED Gold rating for homes through the US Green Building Council. This project is intended to set an example for the type of new home that fits existing neighborhoods, is affordable to purchase and operate, is constructed using green building principles and contains features that will make it marketable now and in the future.

A site for the second newly constructed home has been selected and plans are being developed for a two story energy efficient home suitable for infill lots in older neighborhoods. This home will begin construction in spring 2011. Overall, new construction activity is on schedule.

Home buyer assistance was canceled and funds were transferred to other activities where they could be obligated by the September 17, 2010 deadline. It was originally anticipated that NSP home buyer assistance funds would be used primarily to assist buyers purchasing homes that were constructed or rehabilitated with NSP funds. This can not occur until homes are completed and ready for the market. Since it is not possible to obligate the home buyer assistance funds by the September deadline, funds were transferred. Home buyer assistance remains available to assist purchasers by using HOME funds or by adjusting the amount of NSP rehabilitation subsidy that is allowed to remain invested in each project. Home ownership counselors have been selected and are under contract to provide the 8 hours of counseling required for NSP home buyers.

Acquisition is now complete for the initial phase of all NSP activities. The total acquired to date is 88 units. Final acquisition activity was through tax foreclosed properties that became available at the end of June 2010. Funds budgeted for acquisition related activity remain available for property maintenance. Disposition planning has begun for vacant parcels where demolition is complete.

The average cost for acquisition is less than \$8,000 per unit. The average discount from appraised value is more than 50%. Discounts range from a high of 99% to a low of 1% for individual properties. Properties acquired through tax foreclosure or from the HUD \$1 home program have the greatest purchase price discount. Bank owned

properties have lower discounts and Fannie Mae owned properties have the least discount.

Administrative activities during the quarter included bid letting, contract development and execution, processing payments to contractors and vendors, accounting, tracking activities, maintaining spreadsheets, maintaining files and participating in training and monitoring among other things.

Regular weekly project management meetings between the Ingham County Land Bank and the City continued to include rehabilitation staff from both agencies. Participation by staff directly involved in grant funded activities helps to better monitor progress, keep track of work flow and prioritize tasks.

A revised contractor application continued in use by the Land bank and the City. New contractor recruitment and processing is ongoing. A new Section 3 policy has been implemented and a directory of Section 3 qualified firms has been developed.

Bid packages were prepared for procurement and the rehabilitation specification library and cost estimating system have been updated. A focus group comprised of recent home buyers who used Down Payment Assistance and people who are currently in the market was convened to help develop homes that contain features that will appeal to eligible buyers. Floor plan and site layout concepts were developed based on focus group input.

Please Note:

Due to problems in accessing the proper field for reporting narrative updates for Grantee Activity 1 - Rehabilitation/Reconstruction of residential structures for supportive housing and Grantee ctivity 5, Rehabilitation/reconstruction of residential structures for sale, the narrative updates for this quarter are reported here.

Activity Progress Narrative

Grantee Activity 1: Rehabilitation/Reconstruction of Residential Structures

Project Number: 1-1

Project Title: Permanent Supportive Housing Development

All supportive housing sites have been identified and funds have been obligated for them. Rehabilitation work is progressing well. Thirteen units were initially acquired for supportive housing, however two of them were dropped because rehabilitation was determined to be infeasible at those locations. Eleven units are in progress for occupancy by homeless families. As of the end of the quarter, two homes were completed, seven were under construction and two were being prepared for bid. Candidate families were being screened for occupancy. Rehabilitation costs per unit for supportive housing are higher than initially projected. This is due to the extensive scope of work required to rehabilitate the large, often older homes that best suit the needs of families expected to reside in supportive housing. The scope of rehabilitation includes electrical upgrades, structural improvements, replacing furnaces, hot water heaters, plumbing, and lighting fixtures and appliances with new energy efficient equipment. New windows, siding, roofing and insulation upgrades are installed. Properties will achieve at least a 4 star energy rating and in most cases will be 5 star rated or better at completion. Lead paint hazards will be abated and interior finishes will be completed using attractive but durable materials. Rehab is planned to keep future operating and replacement costs low and to provide adequate space, good quality and comfort.

Site selection for supportive housing presented challenges because large units with 4-5 units were the top priority and these units are relatively scarce in our community. Large units that contain indoor and outdoor play space for children and are located in residential neighborhoods close to schools, parks and bus lines are the best choice for meeting the needs of the target population. Potential sites were screened with these objectives in mind.

Completed homes are being sold to OCOF Nonprofit Housing Corporation, a local supportive housing provider.

OCOF will coordinate with the Greater Lansing Homeless Resolution Network (the local Continuum of Care planning body) and local churches to refer homeless families, make rental subsidy available and provide ongoing support services. Subsidy administration, leasing and property management services will be provided by the Ingham County Housing Commission. Working through tenant selection preferences and lining up subsidy for homeless families has proved challenging.

NSP staff, homeless service providers and housing providers have worked through complex program details to coordinate tenant selection preferences for the supportive housing wait list with homeless prevention priorities and HUD housing voucher rules. Supportive housing leases, mortgages and deed restrictions have been developed. The NSP team is meeting weekly to make sure progress stays on track toward finishing these units within the next 3-6 months.

Based on the schedule for this activity, all of the supportive housing units are expected to be completed so that funds for the 25% set aside for low income households will be expended by about June 30, 2011, well ahead of the March 2013 deadline.

Activity Progress Narrative:

Grantee Activity 5: Rehabilitation/reconstruction of residential structures

Project Title: Housing Rehabilitation and Resale (ADR)nbs;

Rehabilitation and resale was originally planned for ten units. All ten have been acquired. Construction was completed at seven properties as of the end of the quarter. Two more were under construction and one was awaiting plans so it could be prepared for bid. Two homes have been sold to eligible buyers. Two properties

originally planned for rehabilitation have been moved to demolition because the cost of the rehabilitation work needed would exceed the cost of new construction for a similar replacement unit. Rehab costs are averaging roughly \$100,000 per unit and are expected to exceed NSP funds available. Sufficient funds are anticipated from sales of completed properties to complete rehab on all 10 units, however HOME funds are also available if needed to keep construction on schedule.

The scope of rehabilitation is comprehensive. The intended result is a home that will be structurally sound and function well for decades, comparable to the performance expected for a newly built home. The goal of this investment is to provide affordable good quality homes, restore home buyer confidence and improve marketability in Lansing neighborhoods that have been hard hit by foreclosure.

Rehabilitated properties meet 5 star energy efficiency standards or higher wherever possible. Rehabilitation specifications typically include replacement of water heaters, furnaces, windows, doors, siding and shingles.

Kitchens are fitted with new cabinets, countertops, sinks and appliances. Plumbing and lighting fixtures are replaced. Insulation may be added. Walls, floors and trim are refinished or repainted. Basements systems are installed to correct moisture problems.

Lead paint hazards and asbestos containing material is abated and radon systems are installed where needed. Structural defects are remedied and walks, drives and other site or landscape problems are corrected where needed. Additional bathrooms may be added, interior floor plans may be adjusted and electrical system upgrades may be installed to better meet the expectations of current home buyers. If the structure is located in a historic district, care is taken to complete the rehabilitation in a way that retains significant historic character. Where feasible, accessibility modifications may be included.

No problems have been encountered in finding qualified contractors to bid on the work, however new contractors are sought on an ongoing basis, especially Section 3 qualified contractors and minority and women owned firms. A new contractor recruitment event was held on September 30, 2010. Contractor recruitment was hosted jointly by City of Lansing, Ingham County Land Bank and Ingham County Housing Commission. More than 150 contractors and interested parties attended. Information was provided on how to apply to become an approved contractor for bidding, how to qualify as a Section 3 contractor, how to qualify as a minority or woman owned firm, how to obtain performance bonds, how to become a certified lead abatement contractor and how to partner with subcontractors or general contractors.

Lead abatement training has been offered to contractors as well as training required to meet the new Environmental Protection Agency (EPA) regulations for Rehabilitation, Repair and Painting (RRP) that went into effect in 2010. Disbursements for rehabilitation lag behind construction progress due to the time required for inspection and holdbacks to ensure final completion. Ingham County Land Bank provides interim financing during construction and NSP funds are drawn at or near completion of the job. This creates the appearance of little spending from NSP funds. Despite this appearance rehabilitation activity is heavy. We continue to expect all rehab work for these properties to be completed within the next 3-6 months. Overall rehabilitation progress is on schedule and progressing well.

Completed homes are listed for sale as soon as they are ready. Planning is under way to launch a marketing effort in April, which is the strongest month for home sales in Lansing.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1-1, Permanent Supportive Housing Development	\$396,435.54	\$1,500,000.00	\$664,219.72
2-1, Library Rehabilitation	\$455,086.10	\$850,000.00	\$455,086.10
3-1, Home owner Purchase and Rehabilitation Assistance	\$0.00	\$0.00	\$0.00
4-1, Demolition and Deconstruction	\$109,119.85	\$400,000.00	\$212,565.16
5-1, Housing Rehabilitation and Resale	\$438,407.41	\$840,000.00	\$669,683.10
6-1, New Construction	\$49,945.35	\$250,000.00	\$159,706.35
7-1, Home Buyer Assistance	\$0.00	\$0.00	\$0.00
8-1, Land Bank Acquisition, Disposition and Maintenance	\$110,777.96	\$1,552,944.00	\$771,735.77
9, Administration	\$9,987.83	\$599,216.00	\$65,223.13
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number:	1
Activity Title:	Permanent Supportive Housing Development

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

1-1

Projected Start Date:

12/01/2008

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Permanent Supportive Housing Development

Projected End Date:

03/01/2013

Completed Activity Actual End Date:

Responsible Organization:

OCOF

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,500,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,500,000.00
Program Funds Drawdown	\$396,435.54	\$664,219.72
Program Funds Obligated	\$0.00	\$1,500,000.00
Program Funds Expended	\$0.00	\$267,784.18
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquire and rehabilitate foreclosed homes for use as permanent supportive housing for homeless families.

Location Description:

NSP eligible block group

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	10/11

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	10/11

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	8/11	0/0	8/11	100.00

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	

Grantee Activity Number: 2

Activity Title: Rehabilitation of former Library

Activity Category:

Rehabilitation/reconstruction of public facilities

Project Number:

2-1

Projected Start Date:

03/01/2009

Benefit Type:

Area Benefit (Survey)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Library Rehabilitation

Projected End Date:

02/01/2011

Completed Activity Actual End Date:

Responsible Organization:

GLHC

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$850,000.00
Total CDBG Program Funds Budgeted	N/A	\$850,000.00
Program Funds Drawdown	\$455,086.10	\$455,086.10
Program Funds Obligated	\$0.00	\$850,000.00
Program Funds Expended	\$0.00	\$0.00
GLHC	\$0.00	\$0.00
Match Contributed	\$0.00	\$267,000.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Rehabilitate a 17,000 sq. ft. building for use as a one-stop Housing and Community Resource Center/Neighborhood Empowerment Center.

Location Description:

Corner Maple St. and Pine St. in Comstock NSP priority area, census tract 5.

Activity Progress Narrative:

Construction activity for the Neighborhood Empowerment Center was winding up at the end of the quarter. The building was substantially occupied in mid-December. The portion of the building intended for use as Head Start classrooms was completed and occupied in September. Site work including installation of new walks, drives and fencing of the play yard was completed. Head start classrooms are fully utilized.

Space intended for use by community organizations is substantially occupied by the Ingham County Land Bank, the Garden Project and Greater Lansing Housing Coalition. One remaining area is being marketed to human service providers for occupancy on a rotating schedule in order to provide convenient access for neighborhood residents to multiple service providers.

The building is designed to be energy efficient and Leading in Energy Efficiency Design (LEED) certified. Common space is available for community meetings and related use during building operation hours. Classroom space is available for home maintenance and repair classes, home ownership counseling and similar activities.

Several challenges threatened the feasibility of the Neighborhood Empowerment Center and its ability to become a reality. The Greater Lansing Housing Coalition worked diligently to overcome these problems, secure additional funding revise the financing plan and enable the project to proceed.

Final construction costs are higher than initially projected, primarily due to the decision to achieve greater energy efficiency than originally contemplated and to the decision to seek a higher standard of rehabilitation that will extend the useful life of the building. This investment and revised financing plan will result in lower operating costs, reduced replacement costs in future years, greater usability and reduced risk to the nonprofit owner.

Problems arose when financing sources originally planned for the project turned out not to be available with feasible terms. The developer explored several alternatives to replace these sources with other funds and to finance the higher costs. Part of the solution to these problems involved the City's agreement to increase its allocation of NSP funds to this project. The City believes this investment is well justified by the many years of service the Neighborhood Empowerment Center will provide to the community. The building is located in the heart of one of our target investment areas that has been hard hit by foreclosure. It is next to a charter school and near a large city park. The surrounding high poverty census tracts contain a concentration of families with young children. Many children reside in low income single parent households that are the primary population targeted for Head Start programs.

Overall, the building provides an educational and social development center for families with young children, a place for housing and neighborhood service providers who will offer community gardening assistance, home ownership counseling, home improvement resources, home maintenance classes, neighborhood services, poverty law services, housing rehabilitation programs, energy conservation resources and assistance along with other community services. The building is expected to remain available and usable for many years to provide housing and community services for residents in the surrounding area and city wide.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Public Facilities	0	2/1
# of Non-business Organizations	0	2/2

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Persons	0	0	0	0/39920	0/26476	0/118058	0

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	

Grantee Activity Number: 3

Activity Title: Homeowner Purchase Rehabilitation (HPR)

Activity Category:

Homeownership Assistance to low- and moderate-income

Activity Status:

Planned

Project Number:

3-1

Project Title:

Home owner Purchase and Rehabilitation Assistance

Projected Start Date:

03/01/2009

Projected End Date:

03/01/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

GLHC

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
GLHC	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Assist eligible home buyers in selecting, acquiring, rehabilitation properties and finding affordable fixed-rate mortgages.

Location Description:

Southwest Lansing or any NSP eligible block group.

Activity Progress Narrative:

This activity has been discontinued due to buyers' lack of interest. Buyers failed to participate despite increasing the amount available for rehabilitation and renewed efforts to market the program for upgrading energy efficiency and safety of foreclosed properties. Buyers cited a lack of confidence in future market value of the property and concerns for not being able to recover their investment. Funds were transferred to other activities, primarily Activity 2, the Neighborhood Empowerment Center, where they could be fully obligated by the September 17, 2010 deadline.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/0

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/0	0/0	0
# Owner Households	0	0	0	0/0	0/0	0/0	0

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

Grantee Activity Number:	4
Activity Title:	Demolition of blighted property

Activity Category:

Clearance and Demolition

Project Number:

4-1

Projected Start Date:

03/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Demolition and Deconstruction

Projected End Date:

03/01/2013

Completed Activity Actual End Date:

Responsible Organization:

ICLB

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$400,000.00
Total CDBG Program Funds Budgeted	N/A	\$400,000.00
Program Funds Drawdown	\$109,119.85	\$212,565.16
Program Funds Obligated	\$0.00	\$400,000.00
Program Funds Expended	\$0.00	\$124,273.03
ICLB	\$0.00	\$124,273.03
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Demolition of blighted property that is not feasible for rehabilitation.

Location Description:

Homes in 100 year flood plain or any NSP target area.

Activity Progress Narrative:

Demolition/deconstruction has been completed for 41 units to date. One of these was an emergency demolition at 1112 Farrand due to a fire at the abandoned dwelling which left the property in unsafe condition. The fire was suspected to have been caused by a squatter. Potential buyers have expressed interest in five of these newly vacant parcels. One site is under construction for a replacement dwelling. Disposition scenarios have been proposed to HUD staff for guidance in satisfying NSP requirements. During the quarter ending December 31, 2010 hazardous materials remediation was completed for 22 units in preparation for demolition. Bid proposals were drafted for demolition on 22 units. Delays by the Lansing Board of Water and Light, water and electric utility provider, in completing utility disconnection slowed progress in demolition and held up bid letting for the remaining units planned for demolition/deconstruction. Round 3 demolitions will be awarded next quarter. Demolition of one property in the flood plain is delayed waiting for environmental clearance under the Historic Preservation Act according to the Section 106 process. Deconstruction is pending for one unit. A total of 40 sites have been cleared to date using traditional demolition. Demolition costs are approximately \$8,000 per unit not including the cost of hazardous material assessment and remediation. One site was cleared by using deconstruction at a cost of about \$10,400, not including hazardous material assessment and remediation. The first deconstruction bid was awarded to a contractor with considerable experience in deconstruction who employs trained workers. Deconstruction was not originally planned as part of NSP activity. However the structures selected for deconstruction contain distinctive architectural components such as interior wood flooring and trim in good condition despite the structures being blighted and/or tagged as unfit for occupancy. Approximately 70% of the material in the first deconstructed structure was

recycled or repurposed. The remainder went to the landfill.

Funds originally budgeted were not sufficient to complete the full number of number of units originally projected for demolition. Additional funds were budgeted for demolition/deconstruction, and the number of units acquired for demolition has been reduced to stay within the new budget.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	20/60
# of buildings (non-residential)	0	0/0
# of Public Facilities	0	0/0
# of Businesses	0	0/0
# of Non-business Organizations	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	29/0

Beneficiaries Performance Measures

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

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	

Grantee Activity Number:	5
Activity Title:	Acquisition, Rehabilitation and Resale (ADR)

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

5-1

Projected Start Date:

03/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Housing Rehabilitation and Resale

Projected End Date:

03/01/2013

Completed Activity Actual End Date:

Responsible Organization:

ICLB

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$840,000.00
Total CDBG Program Funds Budgeted	N/A	\$840,000.00
Program Funds Drawdown	\$438,407.41	\$669,683.10
Program Funds Obligated	\$0.00	\$840,000.00
Program Funds Expended	\$0.00	\$238,654.18
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquire and rehabilitate foreclosed properties for sale to eligible home buyers.

Location Description:

NSP eligible areas.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	13/10

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	13/10
# of Singlefamily Units	0	0/10

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	3/10	12/10	25.00
# Owner Households	0	0	0	0/0	0/10	0/10	0

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	

Grantee Activity Number: 6

Activity Title: New Construction

Activity Category:

Construction of new housing

Project Number:

6-1

Projected Start Date:

03/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

New Construction

Projected End Date:

03/01/2013

Completed Activity Actual End Date:

Responsible Organization:

ICLB

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$250,000.00
Total CDBG Program Funds Budgeted	N/A	\$250,000.00
Program Funds Drawdown	\$49,945.35	\$159,706.35
Program Funds Obligated	\$0.00	\$250,000.00
Program Funds Expended	\$0.00	\$109,761.00
ICLB	\$0.00	\$109,761.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Infill Construction of new housing for sale to NSP eligible home buyers.

Location Description:

Comstock Area, Oak Park Area or Prudden Area

Activity Progress Narrative:

Construction was completed for 5221 Hughes Rd., the first of two newly constructed homes planned for development. The new home is built on an infill site formerly occupied by a foreclosed, blighted structure which was demolished.

The design incorporates passive solar heating and universal design features. It is a single story structure with attached garage and is similar in size and appearance to the existing homes surrounding it. This project is intended to set an example for the type of new home that fits existing neighborhoods and meets the expectations of current buyers.

The home is planned to be affordable to purchase and affordable to operate. It contains design features that allow flexible use of spaces. The home is designed so that it will be marketable now and in the future to a wide variety households: young families with children, households including people with mobility limitations, older singles or couples, young couples, singles, roommates, etc.

A site for the second newly constructed home at 200 W. Grand River has been selected. Planning is underway to determine the features to be demonstrated in this home and to request bids for construction. A focus group was convened composed of recent buyers who used City of Lansing Down Payment Assistance to purchase existing homes along with others who are potential buyers. Focus group participants were consulted regarding their design preferences related to new two-story, energy efficient dwellings that could fit on typical existing vacant lots in Lansing. An architect was available to guide the discussion and prepare sketches incorporating comments from the group. The results of this work will be used to develop plans for the second newly constructed home. Construction will begin in the spring of 2011.

These new designs will be made available to future builders and home buyers for infill development on vacant lots.

This activity is on schedule.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	2/2

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	0/0	0/2	0/2	0

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	

Grantee Activity Number: 7

Activity Title: Down Payment Assistance (DPA)

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

7-1

Projected Start Date:

03/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Home Buyer Assistance

Projected End Date:

03/01/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Lansing

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
City of Lansing	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Down payment assistance for NSP eligible home buyers purchasing a foreclosed home in one of the City's priority NSP areas.

Location Description:

NSP eligible priority areas.

Activity Progress Narrative:

This activity has been canceled. It was originally anticipated that NSP home buyer assistance funds would be used primarily to assist buyers purchasing homes that were constructed or rehabilitated with NSP funds. However, this could not be accomplished by the deadline to obligate funds because buyers can not be identified until homes are completed and ready for the market. Since it was not possible to use home buyer assistance funds by the September 17, 2010 deadline for obligation, Funds were transferred to other activities where they could be used within the timeline allowed. By canceling this activity and transferring the budget amount to other activities, the City of Lansing was able to avoid losing funds. Home buyer assistance will remain available to assist purchasers by using HOME funds or by adjusting the amount of NSP rehabilitation subsidy that is allowed to remain invested in each project. Both home buyers who purchased homes rehabilitated with NSP funds to date have been assisted. Home ownership counselors are under contract to provide the 8 hours of counseling required for NSP home buyers.

Accomplishments Performance Measures

**This Report Period
Total**

**Cumulative Actual Total / Expected
Total**

of Housing Units

0

0/0

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/0	0/0	0
# Owner Households	0	0	0	0/0	0/0	0/0	0

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

Grantee Activity Number:	8
Activity Title:	Acquisition

Activity Category:

Land Banking - Acquisition (NSP Only)

Project Number:

8-1

Projected Start Date:

03/01/2009

Benefit Type:

Activity Status:

Under Way

Project Title:

Land Bank Acquisition, Disposition and Maintenance

Projected End Date:

03/01/2019

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

ICLB

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,552,944.00
Total CDBG Program Funds Budgeted	N/A	\$1,552,944.00
Program Funds Drawdown	\$110,777.96	\$771,735.77
Program Funds Obligated	\$0.00	\$1,552,944.00
Program Funds Expended	\$0.00	\$965,666.40
ICLB	\$0.00	\$965,666.40
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquisition of foreclosed properties for rehabilitation, sale, demolition or land banking. Includes the cost of property maintenance.

Location Description:

Comstock area, Oak Park, Prudden, Vision 2020, Baker Donora, Urbandale, Potter Walsh and Southwest Lansing.

Activity Progress Narrative:

Acquisition is now complete for all initially planned NSP activities. The total acquired to date is 88 units. Acquisition activity was the first priority because it drives other NSP activities. The average cost for acquisition to date is \$7,842 per unit. The average discount from appraised value is more than 50%.

Discounts ranged from a high of 99% to a low of 1% for individual properties. Properties acquired through tax foreclosure or from the HUD \$1 home program have the greatest purchase price discount. Bank owned properties have smaller discounts and Fannie Mae owned properties have the least discount. NSP funds budgeted for acquisition related activity remain available to maintain properties in the coming months while they are being prepared for rehabilitation or demolition and for expenses of final disposition.

The focus for this activity has shifted to maintenance disposition of vacant parcels. Several possible disposition strategies are being explored for compliance with NSP regulations and alignment with the City's new master plan. Community gardens are being planned at several locations as an interim strategy.

Accomplishments Performance Measures

This Report Period	Cumulative Actual Total / Expected
Total	Total

# of Properties	0	66/70
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	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	68/70

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
Affordable fixed-rate mortgages	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: 9

Activity Title: General Program Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

9

Project Title:

Administration

Projected Start Date:

10/01/2008

Projected End Date:

03/01/2019

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Lansing

Overall

Oct 1 thru Dec 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$599,216.00
Total CDBG Program Funds Budgeted	N/A	\$599,216.00
Program Funds Drawdown	\$9,987.83	\$65,223.13
Program Funds Obligated	\$0.00	\$599,216.00
Program Funds Expended	\$0.00	\$28,844.37
City of Lansing	\$0.00	\$28,844.37
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

General administrative activities required to implement the NSP grant.

Location Description:

N/A

Activity Progress Narrative:

Administrative activities during the quarter included bid letting, contract development and execution, continuous refining of procedures, processing payments to contractors and vendors, accounting, tracking activities, maintaining spreadsheets, maintaining files and participating in training and monitoring among other things. A contractor recruitment event was planned and held.

Participation in regular weekly project management meetings between the Ingham County Land Bank and the City continued to include rehabilitation staff from both agencies. Greater staff participation helps to better monitor progress, keep track of work flow and prioritize tasks. A revised contractor application continued in use by the Land bank and the City. New contractor recruitment and screening is ongoing. A new Section 3 policy has been implemented and contractor orientation is ongoing. Ingham County Land Bank and the City of Lansing are each using their own installation of Community Development Manager (CDM) software for managing day to day rehabilitation and construction activity. The rehabilitation specification library has been updated in both systems so that the standard specifications and materials lists match. Bid packages were drafted to solicit new bids for hazardous materials and lead based paint testing.

Considerable time was spent during the quarter trying to obtain clearance to demolish a blighted property in the flood plain. The subject property is also located in a historic district and the State Historic Preservation Office determined that demolition would create an adverse effect. This triggers a complex process for obtaining approval through the National Historic Preservation Section 106 Review.

Planning and design activities were initiated to develop home designs for new construction on infill lots. A focus group of recent buyers and potential buyers was convened to assist in this work. Staff participated in the NSP Problem Solving Clinic in Detroit.

Progress continued regarding implementing proposed changes to the Citizen Participation Plan which was last amended in 1996. Changes are proposed to update and expand methods for notifying the public to include new print and electronic media. The definition of substantial change was also amended to be more workable in the event future funding opportunities become available. Changes in wording were made to help clarify the purpose and streamline procedures for public participation. New language was proposed to notify the public of the typical times during the year when citizen input is requested.

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	
