

# Grantee: Evansville, IN

## Grant: B-08-MN-18-0003

### October 1, 2021 thru December 31, 2021

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**Grant Number:**

B-08-MN-18-0003

**Obligation Date:****Award Date:****Grantee Name:**

Evansville, IN

**Contract End Date:****Review by HUD:**

Submitted - Await for Review

**Grant Award Amount:**

\$3,605,204.00

**Grant Status:**

Active

**QPR Contact:**

No QPR Contact Found

**LOCCS Authorized Amount:**

\$3,605,204.00

**Estimated PI/RL Funds:**

\$144,203.51

**Total Budget:**

\$3,749,407.51

## Disasters:

### Declaration Number

NSP

## Narratives

### Areas of Greatest Need:

The City of Evansville analyzed four data sets provided by HUD: risk of foreclosure, subprime loans, foreclosure rates and vacancy rates, by utilizing Geographic Information Systems (GIS) computer mapping software. The eligible census block groups were mapped with each of the data sets. The boundaries of existing focus areas (CDBG Focus Area and Front Door Pride area) were then compared to the block group data, to determine the geographic areas of greatest need within the City. In general, this methodology concluded that the areas of greatest need are the same as the City's already defined focus areas, which includes census tracts 11, 12, 13, 14, 15, 17, 19, 220, 21,25 and 26. The focus areas are identified in the City of Evansville's 2005 - 2009 Consolidated Plan, which details the resources and activities funded with Community Development Block Grants, Emergency Shelter Grants and HOME Investment Partnership funds. It was noted during this analysis that some census tracts appear to have fewer foreclosures, lower risk of foreclosures and fewer subprime mortgages due to the high number of rental units. In addition, a large percentage of the homes in these "high risk" census tracts have elderly homeowners with no mortgages, thus foreclosures and subprime mortgage data may be skewed. This was determined previously by reviewing property tax exemption data (i.e. Over 65 and homestead exemptions). Also, through local Code Enforcement data, evidence of greater vacancy rates exists in these census tracts. Therefore in reality, the neighborhood housing status is in greater decline than the tables reflect. The information above and past analysis of the housing needs within the city of Evansville indicate that the areas of greatest need for NSP will continue within the predetermined focus areas. Although some of the activities may fall in other eligible census tract block groups.

### Distribution and and Uses of Funds:

The City of Evansville will address NSP requirements for the distribution and uses of the \$3.6 million allocated to the City through a combination of financing mechanisms for home buyers, acquisition of foreclosed homes, demolition of blighted structures and rehabilitation and new construction programs within the target areas. Financing mechanisms will utilize \$400,000 of NSP funds to aid homebuyers between 80 and 120% AMI by providing funds to "buy down" mortgages for previously foreclosed on and subsequently reduce the need for these borrowers to resort to subprime mortgages for financing homes. The Department of Metropolitan Development already partners with Community Action Program of Evansville (CAPE) and HOPE of Evansville to provide down payment assistance. NSP funds will be used to supplement the \$5,000 maximum down payment currently available to cover the gap between development costs and actual appraised values. This program will not only eliminate subprime mortgages but will also address the foreclosure risk and rates by aiding new homebuyers with lower mortgage payments. Five hundred thousand dollars has been earmarked for demolition of blighted structures in the Evansville NSP expenditure plan. Funds will be used by City Code Enforcement to remove slum and blight throughout the numerous eligible census tract block groups. High vacancy rates and the elevated number of abandoned homes are contributing factors to the decline of neighborhoods, further exacerbating the decline of property values. Prior program evaluations reveal poor construction of homes, older declining housing stock, sub-standard/non-existent maintenance, etc. in the eligible block groups. The elimination of blighted housing will increase the overall value of the housing stock and increase property values in the eligible neighborhoods and decrease the likelihood of abandonment. It is estimated that 75 - 100 blighted homes will be demolished with NSP funds. Acquisition of foreclosed properties will be conducted by the Evansville Redevelopment Commission (ERC) and Evansville Brownfields Corp. (EBC). This component will utilize \$400,000 of NSP funds. Property foreclosures are completed after sheriff sales and typically it is the mortgage holder who buys the foreclosed property at the sheriff sales. Therefore, both the ERC and EBC will use GIS software to map the location of all properties listed for sheriff sales. Those properties within the eligible block groups will be evaluated for potential acquisition from the likely buyer (mortgage holder). Lenders will be contacted regarding their foreclosed properties within the target areas, these properties will be earmarked for potential acquisition. The bulk of the City NSP funding, \$1.9 million, will be for rehabilitation of existing homes and new home construction to improve the overall appeal of the targeted areas and increase marketable housing stock. The result will be increased mixed income neighborhoods, higher housing values, stable homeownership via competitive fixed rate mortgages and reasonable terms, etc. These actions will dilute the



foreclosure rate, minimize subprime mortgages and decrease the foreclosure risk, while actively removing foreclosed properties from the current inventory. A minimum of \$901,301 of these funds will be utilized to provide rental and homeownership opportunities to families at or below 50% AMI. The rehabilitation and new construction will be managed both in-

**Distribution and Uses of Funds:**

house by DMD staff, as well as with partner entities such as the Affordable Housing Task Force (for low income and special populations) and market rate housing by private entities and non-profit agencies.

**Definitions and Descriptions:**

We had to move \$1235.50 for a late claim on Activity 9 under Project Reconstruction. We should be ready for NSP close out very soon. I decreased the admin budget by \$1235.50 and increased the Reconstruction Budget by \$1235.50. Thanks.

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

| <b>Overall</b>                                     | <b>This Report Period</b> | <b>To Date</b> |
|--|---------------------------|----------------|
| <b>Total Projected Budget from All Sources</b>     | \$0.00                    | \$3,755,192.19 |
| <b>Total Budget</b>                                | \$0.00                    | \$3,749,404.51 |
| <b>Total Obligated</b>                             | \$0.00                    | \$3,749,404.51 |
| <b>Total Funds Drawdown</b>                        | \$0.00                    | \$3,749,404.51 |
| <b>Program Funds Drawdown</b>                      | \$0.00                    | \$3,605,204.00 |
| <b>Program Income Drawdown</b>                     | \$0.00                    | \$144,200.51   |
| <b>Program Income Received</b>                     | \$0.00                    | \$144,200.51   |
| <b>Total Funds Expended</b>                        | \$0.00                    | \$3,749,404.51 |
| <b>HUD Identified Most Impacted and Distressed</b> | \$0.00                    | \$0.00         |
| <b>Other Funds</b>                                 | \$ 0.00                   | \$ 5,787.68    |
| Match Funds  | \$ 0.00                   | \$ 5,787.68    |
| Non-Match Funds                                    | \$ 0.00                   | \$ 0.00        |

**Funds Expended**

| <b>Overall</b>                             | <b>This Period</b> | <b>To Date</b>  |
|--|--------------------|-----------------|
| Dept. Metropolitan Development             | \$ 0.00            | \$ 917,405.55   |
| ECHO Housing Corporation                   | \$ 0.00            | \$ 490,576.00   |
| Evansville Brownfield Corporation          | \$ 0.00            | \$ 107,005.37   |
| Evansville Brownfields Corporation         | \$ 0.00            | \$ 134,015.79   |
| HOPE of Evansville, Inc.1                  | \$ 0.00            | \$ 1,295,901.80 |
| Habitat of Evansville                      | \$ 0.00            | \$ 0.00         |
| Memorial Community Development Corporation | \$ 0.00            | \$ 567,000.00   |
| Southwestern Healthcare, Inc.              | \$ 0.00            | \$ 237,500.00   |

**Progress Toward Required Numeric Targets**

| <b>Requirement</b>                | <b>Target</b>  | <b>Projected</b> | <b>Actual</b> |
|-----------------------------------|----------------|------------------|---------------|
| <b>Overall Benefit Percentage</b> | 99.99%         | .00%             | .00%          |
| <b>Minimum Non Federal Match</b>  | \$.00          | \$.00            | \$5,787.68    |
| <b>Overall Benefit Amount</b>     | \$3,602,220.54 | \$.00            | \$.00         |



|  |              |              |              |
|--|--------------|--------------|--------------|
| <b>Limit on Public Services</b>          | \$540,780.60 | \$ .00       | \$ .00       |
| <b>Limit on Admin/Planning</b>           | \$360,520.40 | \$146,826.71 | \$146,826.71 |
| <b>Limit on Admin</b>                    | \$ .00       | \$146,826.71 | \$146,826.71 |
| <b>Most Impacted and Distressed</b>      | \$ .00       | \$ .00       | \$ .00       |
| <b>Progress towards LH25 Requirement</b> | \$937,351.88 |              | \$938,840.50 |

## Overall Progress Narrative:

The City of Evansville has had no changes to its quarterly report since the last reporting period. The City is still working toward closeout.

## Project Summary

| Project #, Project Title                 | This Report            | To Date                |                        |
|--|------------------------|------------------------|------------------------|
|  | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 065-111Ac, Land Banking                  | \$0.00                 | \$234,702.63           | \$211,834.81           |
| 065-111Ad, Administration                | \$0.00                 | \$146,829.71           | \$138,063.34           |
| 065-111D, Demolition                     | \$0.00                 | \$690,022.37           | \$686,316.37           |
| 065-111N, Acquisition for Reconstruction | \$0.00                 | \$2,045,251.00         | \$1,993,822.44         |
| 065-111R, Acquisition for Rehabilitation | \$0.00                 | \$632,601.80           | \$575,167.04           |

