

**Grantee: Jackson, MS**

**Grant: B-08-MN-28-0001**

**April 1, 2009 thru June 30, 2009 Performance Report**

**Grant Number:**

B-08-MN-28-0001

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

Jackson, MS

**Award Date:****Grant Amount:**

\$3,116,049.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**Submitted By:**

No Submitter Found

## Disasters:

### Declaration Number

NSP

## Plan Description:

In a June 2008 study, the Mississippi Economic Policy Center reported home mortgage delinquencies in Mississippi were especially harmful. As of the third quarter of 2007, Mississippi had the highest percentage of loans past due at 10.6% and the eighth highest rate of foreclosures started at 0.92% in the country. The City of Jackson has experienced a particularly high number of foreclosures due to the actions of investors who have purchased properties in aging neighborhoods and withdrew the equity out of the properties through subprime loans before abandonment. The analysis used to determine our areas of greatest need took into consideration a range demographic data based on census tracts, block groups, and zip codes. Foreclosure data from The Mississippi Economic Policy Center, Home Mortgage Disclosure Act Data, the United States Department of Housing and Urban Development, [www.foeclosure.com](http://www.foeclosure.com), [www.realtytrac.com](http://www.realtytrac.com), [www.demographicsnow.com](http://www.demographicsnow.com), [www.neighborhoodscout.com](http://www.neighborhoodscout.com) and the U.S. Census Bureau was analyzed to identify the areas of greatest need. The 2000 U.S. Census reports that the City of Jackson has over 7,500 vacant housing units that are in severe stages of disrepair and most are located in the high-risk census tract areas according to the 2000 census data. In order to reverse this decline, the City's housing stock will need a major infusion of capital for foreclosed and abandoned properties. The City of Jackson has identified over 356 homes that were fully foreclosed and taken back by lenders between January 2007 and October 2008. These foreclosures have been concentrated in several neighborhoods where there are multiple foreclosed homes on nearly every block. Many foreclosed properties are now becoming targets of vandalism and theft, including the removal of copper piping, appliances, cabinets and other items. If left unchecked, these properties will become magnets for crime, causing further decline in property values that could accelerate the foreclosure problem in a downward spiral. While some foreclosed properties are reselling relatively quickly, in neighborhoods that were already dealing with problems of crime and relatively weaker housing markets foreclosed homes are not moving as quickly. These neighborhoods are thus plagued by a combination of high rates of subprime lending, high foreclosure rates, and high risk of abandonment as homes remain vacant and unsold for many months.

## Recovery Needs:

Our approach to stabilizing at risk neighborhoods will involve fostering market recovery as part of our overall strategy. Dependent on the level of destabilization within neighborhoods selected for NSP intervention our strategy for market recovery will be designed to accomplish three primary objectives:

- Increased demand for housing in selected areas (as renters or homeowners),
- Increase the number of people buying homes, or leasing homes with the intent to purchase, and
- Stabilizing or increasing the value of the homes in the targeted NSP areas.

The City of Jackson recognizes that property acquisition is a complex process. In order for acquisition to be carried out successfully, we will organize ourselves to make informed decision about which properties to acquire, parameters for negotiated sales prices will be established, and a determination will be made regarding which legal tools will be used to insure that we have good and marketable title on every acquired property. A system of checks and balances will be established to insure that each property

acquired through the NSP will be open for public review and meets all local, state, federal property acquisition and regulatory requirements. Every effort will be made to ensure that public funds are used responsibly.

The City of Jackson is particularly sensitive to the large amount of vacant and abandoned properties in its neighborhoods. Congress also recognized this when it authorized NSP funds to be used not only for foreclosed properties but also for other abandoned properties. Since Jacksons has a large number of abandoned property in close proximity to the location of foreclosed homes, linking the acquisition of both property types to a neighborhood stabilization initiative provides an opportunity to address both problems at the same time.

The City of Jackson property acquisition strategy is based on targeting concentrations of foreclosed properties. Our acquisition strategy involves carefully selecting neighborhoods where the NSP intervention is most likely to stimulate market recovery and stimulate other public/private reinvestment activity. While we recognize there is no one size fits all acquisition strategy, targeted project areas will have more market recovery impact than scatter acquisition activity. At least three distinct approaches are reflective of how our overall property acquisition strategy will be implemented:

Focusing on neighborhoods that are close to market recovery, and move the recovery forward by buying and restoring a small number of properties, where costs or other factors make it impossible for the private sector to become engaged. This approach will likely result in resale to owner occupants up to 120% of AMI.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$3,116,049.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$3,116,049.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Required</b>	<b>To Date</b>
<b>Minimum Overall Benefit Percentage</b>	\$99.99	\$0.00
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$467,407.35	\$0.00
<b>Limit on Admin/Planning</b>	\$311,604.90	\$0.00
<b>Limit on State Admin</b>	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

### Overall Progress Narrative:

The City of Jackson's original Substantial Amendment to the 2008 Annual Action Plan of the Consolidate Plan was submitted on November 24, 2008. However, the City of Jackson amended its Substantial Amendment. A public notice was published in the Clarion Ledger on June 11 & 12, 2009. The public comment period ended on June 29,

2009. There were no public comments made neither written or verbally. The Amended Substantial Amendment went before the City Council on June 30, 2009 and it was approved that the Mayor submit the Amended Substantial Amendment to the U. S. Department of Housing and Urban Development. On that same day, the signed Amended Substantial Amendment was hand delivered to the local HUD office here in Jackson, MS addressed to Linda F. Tynes, Director.

Since the delivery of the Amended Substantial Amendment, the City of Jackson has been working to finalize contracts for Voice of Calvary Ministries and Habitat for Humanity/Metro Jackson. These organizations are designated as Non-profit developers and will be responsible for all acquisition, rehabilitation and sale activities. The contracts are currently being reviewed by the City of Jackson's Attorney and are set to go before the City Council on August 11, 2009. After approval from the City Council, the contracts will be signed and acquisitions will begin.

A tiered Environmental Review is complete and the public notice ran in the Clarion Ledger on May 15, 2009. The public comment period for the City of Jackson's Finding of No Significant Impact (FONSI) and Notice of Intent to Request for Release of Funds (NOI RROF) for NSP ended on June 1, 2009. There were no public comments received either in writing or verbally. The City of Jackson submitted a Request for Release of Funds and Certification to HUD on June 2, 2009. The Authority to Use Grant Funds was signed on July 1, 2009 by HUD personnel Linda F. Tynes, CPD Director.

In addition, the City of Jackson hired a NSP, Housing Rehab Manager on April 16, 2009 to be responsible for the overall oversight of NSP activities. Since her hire date, she has attended two HUD sponsored trainings: HOME & NSP: Creating Affordable Housing, Stabilizing Neighborhoods that was held May 27 and 28, 2009 in Atlanta, GA at the HUD Regional Office; and Neighborhood Stabilization Program Training: Implementation for 2008 Formula Grants held July 13 & 14, 2009 in Fort Worth, TX. Both trainings provided valuable clarification on NSP rules and regulations and DRGR requirements.

## Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$3,116,049.10	\$0.00	\$3,116,049.10	\$0.00