

Grantee: Healthy Neighborhoods Inc.

Grant: B-09-CN-MD-0011

January 1, 2010 thru March 31, 2010 Performance Report

Grant Number:
B-09-CN-MD-0011

Obligation Date:

Grantee Name:
Healthy Neighborhoods Inc.

Award Date:

Grant Amount:
\$26,092,880.00

Contract End Date:
02/11/2013

Grant Status:
Active

Review by HUD:
Original - In Progress

QPR Contact:
Lisa Evans

Disasters:

Declaration Number
NSP

Plan Description:

Recovery Needs:

Overall

Total Projected Budget from All Sources
Total CDBG Program Funds Budgeted
Program Funds Drawdown
Obligated CDBG DR Funds
Expended CDBG DR Funds
Match Contributed
Program Income Received
Program Income Drawdown

This Report Period

N/A
N/A
\$0.00
\$0.00
\$12,964.00
\$0.00
\$0.00
\$0.00

To Date

\$26,092,880.00
\$26,092,880.00
\$0.00
\$0.00
\$12,964.00
\$0.00
\$0.00
\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.00%	0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$3,913,932.00	\$0.00
Limit on Admin/Planning	\$2,609,288.00	\$12,964.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,609,288.00	\$2,372,080.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$6,523,220.00	\$6,830,800.00

Overall Progress Narrative:

Notification of award for the Neighborhood Stabilization Program was received on January 14, 2010. The formal Grant Agreement with HUD was ratified on February 11, 2010.

Members of the Healthy Neighborhoods NSP2 consortium began meeting weekly in late January. The meetings included representatives from the four nonprofit members, the single for profit developer, the local HUD office, and staff from the Baltimore's Department of Housing and Community Development. Discussions mainly revolved around program implementation, requirements, and establish of procedures.

Each member began their process of identifying current foreclosures, abandoned or vacant properties in their designated census tracts. Specific target blocks for initial development were chosen in the Reservoir Hill and Barclay/Old Goucher neighborhoods.

Approximately ten local and national lenders were contacted concerning availability of real estate owned by them or their subsidiaries or through any mergers or purchases of other lending institutions. Several lenders distributed lists of potential foreclosed properties for the NSP partners to review.

The team met with the Greater Baltimore Board of Realtors and the Maryland Minority Contractors to discuss involvement in the NSP program.

Agreements with the four nonprofit Consortium members were drafted with final agreements to be signed in early April.

No expenditure of funds occurred during this quarter. No properties were placed under contract during this quarter.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	(\$26,092,880.00)	\$0.00
NSP2-1AD, Administration	\$0.00	\$0.00	\$0.00
NSP2-1AD, Administration	\$0.00	\$0.00	\$0.00
NSP2-2AH, Acquisition/Rehab AB	\$0.00	\$0.00	\$0.00
NSP2-3AH, Acquisition/Rehab ABE	\$0.00	\$0.00	\$0.00

NSP2-4FM, Financing Mechanisms - Closing - AB	\$0.00	\$0.00	\$0.00
NSP2-5FM, Financing Mechanisms - Closing - ABE	\$0.00	\$0.00	\$0.00
NSP2-7FP, Financing Mechanisms - Principal Reduction ABE	\$0.00	\$0.00	\$0.00
NSP2-HN-1AD-000, Administrative Costs	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: NSP2-1AD-HN-000

Activity Title: Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

NSP2-1AD

Project Title:

Administration

Projected Start Date:

01/14/2010

Projected End Date:

02/10/2013

National Objective:

N/A

Responsible Organization:

Healthy Neighborhoods, Inc.

Overall

Jan 1 thru Mar 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$2,372,080.00
Total CDBG Program Funds Budgeted	N/A	\$2,372,080.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$12,964.00	\$12,964.00
Healthy Neighborhoods, Inc.	\$12,964.00	\$12,964.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Payment of administrative costs incurred by Healthy Neighborhoods for the coordination of the NSP2 program.

Location Description:

Baltimore, MD

Activity Progress Narrative:

A coordinator for the NSP2 program was hired March 1, 2010. Office space was expanded to accommodate NSP staff. Other Healthy Neighborhoods staff were engaged in numerous NSP2 activities related to implementation of the program. All NSP members attended the first NSP2 training in Virginia. Costs were incurred but have not been expended and drawn down to date.

Performance Measures

No 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

Grantee: Healthy Neighborhoods Inc.

Grant: B-09-CN-MD-0011

April 1, 2010 thru June 30, 2010 Performance Report

Grant Number:
B-09-CN-MD-0011

Obligation Date:

Grantee Name:
Healthy Neighborhoods Inc.

Award Date:

Grant Amount:
\$26,092,880.00

Contract End Date:
02/11/2013

Grant Status:
Active

Review by HUD:
Original - In Progress

QPR Contact:
Lisa Evans

Disasters:

Declaration Number
NSP

Plan Description:

Recovery Needs:

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$26,092,880.00
Total CDBG Program Funds Budgeted	N/A	\$26,092,880.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$55,404.00	\$68,368.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.00%	0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$3,913,932.00	\$0.00
Limit on Admin/Planning	\$2,609,288.00	\$68,368.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,609,288.00	\$2,372,080.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$6,523,220.00	\$6,830,800.00

Overall Progress Narrative:

Program implementation began in earnest from April through June for the Healthy Neighborhoods Consortium. Partners targeted blocks and properties in the NSP neighborhoods for acquisition. Druid Heights Community Development Corporation targeted several blocks within the census tracts in the Reservoir Hill neighborhood to begin purchasing foreclosed and abandoned properties. A survey of the blocks and present status was completed. Appraisals were ordered on three properties and offers should follow in July. Habitat for Humanity of the Chesapeake reviewed all properties within the Patterson Park and McElderry Park to determine the number of foreclosed and abandoned properties. One property is under contract with an expected settlement in early July and offers are pending on an additional nine properties. Telesis Baltimore Corporation has identified and site control obtained on 20 properties in the Barclay and Old Goucher neighborhoods. The properties are in the 2200 and 2300 blocks of North Calvert Street and the 2200 block of Guilford Avenue. An architect and contractor have been identified and are reviewing the properties to create a scope for rehabilitation. Six properties will be identified for the first phase of construction. The Direct Purchase Program was announced in May. The program provides funds for an individual to purchase a foreclosed or abandoned property. Four sessions were held in the targeted neighborhoods to explain the program to potential buyers, community leaders, and real estate agents. Additional information sessions were held with the Greater Baltimore Board of Realtors and realtors participating with Live Baltimore. Approximately 70 calls were received in late May and June. Four borrowers are pursuing contracts of sale. Discussions continued with lenders to acquire foreclosed properties in their portfolios and to review first mortgage lending opportunities. Fannie Mae presented their "HomePath" program to purchase foreclosures and all consortium members registered to have access to a "first look" at properties. No funds have been expended to date.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	(\$26,092,880.00)	\$0.00
NSP2-1AD, Administration	\$0.00	\$2,372,080.00	\$0.00

NSP2-1AD, Administration	\$0.00	\$0.00	\$0.00
NSP2-2AH, Acquisition/Rehab AB	\$0.00	\$6,512,800.00	\$0.00
NSP2-3AH, Acquisition/Rehab ABE	\$0.00	\$14,382,000.00	\$0.00
NSP2-4FM, Financing Mechanisms - Closing - AB	\$0.00	\$318,000.00	\$0.00
NSP2-5FM, Financing Mechanisms - Closing - ABE	\$0.00	\$1,668,000.00	\$0.00
NSP2-7FP, Financing Mechanisms - Principal Reduction ABE	\$0.00	\$840,000.00	\$0.00
NSP2-HN-1AD-000, Administrative Costs	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: NSP2-1AD-HN-000

Activity Title: Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

NSP2-1AD

Project Title:

Administration

Projected Start Date:

01/14/2010

Projected End Date:

02/10/2013

National Objective:

N/A

Responsible Organization:

Healthy Neighborhoods, Inc.

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$2,372,080.00
Total CDBG Program Funds Budgeted	N/A	\$2,372,080.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$55,404.00	\$68,368.00
Healthy Neighborhoods, Inc.	\$55,404.00	\$68,368.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Payment of administrative costs incurred by Healthy Neighborhoods for the coordination of the NSP2 program.

Location Description:

Baltimore, MD

Activity Progress Narrative:

Healthy Neighborhoods is making progress in creating the infrastructure of the program. Consortium Agreements were signed with the three nonprofit members and a developer's agreement is under negotiation.

Loan documents for consortium partners and borrower loan documents are being drafted by legal counsel. The documents should be finalized in July.

Process was established to coordinate the environmental review through the City of Baltimore. The initial phase of environmental review of all of the eligible neighborhoods is complete. One individual property was submitted and approved during this quarter.

Lisa Evans was named as the NSP2 Coordinator and all staff of Healthy Neighborhoods is providing strong direct support to the program. Rahn Barnes was hired as a consultant to the Direct Purchase Program in mid June.

Performance Measures

No 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

Grantee Activity Number:	NSP2-2AH-HC-050
Activity Title:	Acquisition/Rehab AB

Activity Category:

Acquisition - general

Project Number:

NSP2-2AH

Projected Start Date:

02/11/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Rehab AB

Projected End Date:

02/10/2013

Responsible Organization:

Habitat for Humanity of the Chesapeake, Inc.

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$750,000.00
Total CDBG Program Funds Budgeted	N/A	\$750,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Habitat for Humanity of the Chesapeake, Inc.	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed or abandoned properties in designated census tracts for sale to eligible homebuyers at or below 50% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

If the total development costs exceed the after rehab fair market appraised value, the NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a 30 year period.

Location Description:

Baltimore, MD in the Patterson Park and McElderry Park neighborhoods, census tracts 601 and 602

Activity Progress Narrative:

Habitat for Humanity of the Chesapeake reviewed all properties within the Patterson Park and McElderry Park to determine the number of foreclosed and abandoned properties. One property is under contract with an expected settlement in early July and offers are pending on an additional nine properties.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/15
# of housing units	0	0	0	0/0	0/0	0/0
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Households benefitting	0	0	0	0/15	0/0	0/15
# of Persons benefitting	0	0	0	0/0	0/0	0/0
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0
# of Parcels acquired by	0	0	0	0/0	0/0	0/0

# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/15
Total acquisition compensation to	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: NSP2-3AH-DH-120

Activity Title: Acquisition/Rehab ABE

Activity Category:

Acquisition - general

Activity Status:

Under Way

Project Number:

NSP2-3AH

Project Title:

Acquisition/Rehab ABE

Projected Start Date:

02/11/2010

Projected End Date:

02/10/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Druid Heights Community Development Corporation, Inc.

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$1,000,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,000,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Druid Heights Community Development Corporation, Inc.	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to or purchase by eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

If the total development costs exceed the after rehab fair market appraised value, the NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a 30 year period.

Location Description:

Baltimore, MD in the Reservoir Hill neighborhood, census tracts 1301 and 1302

Activity Progress Narrative:

Druid Heights Community Development Corporation targeted several blocks within the census tracts in the Reservoir Hill neighborhood to begin purchasing foreclosed and abandoned properties. A survey of the blocks and present status was completed. One property is under contract and appraisals ordered on three others with offers to follow in July.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/10
# of housing units	0	0	0	0/0	0/0	0/10
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Households benefitting	0	0	0	0/0	0/10	0/10
# of Persons benefitting	0	0	0	0/0	0/0	0/0
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0

# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/10
Total acquisition compensation to	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: NSP2-3AH-HN-120

Activity Title: Acquisition/Rehab

Activity Category:

Acquisition - general

Activity Status:

Under Way

Project Number:

NSP2-3AH

Project Title:

Acquisition/Rehab ABE

Projected Start Date:

02/11/2010

Projected End Date:

02/10/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Healthy Neighborhoods, Inc.

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$575,000.00
Total CDBG Program Funds Budgeted	N/A	\$575,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Healthy Neighborhoods, Inc.	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for purchase by eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

If the total development costs exceed the after rehab fair market appraised value, the NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a 30 year period.

Location Description:

Baltimore, MD in the Belair Edison, Ednor Gardens, Better Waverly, and Coldstream-Homestead-Montebello neighborhoods in census tracts 80101, 26202, 260301, 26302, 903, 905, and 906; in Patterson Park and McElderry Park neighborhoods in census tracts 601 and 602; in Reservoir Hill in census tracts 1301 and 1302; and in the Barclay and Old Goucher neighborhoods in census tract 1204

Activity Progress Narrative:

The Direct Purchase Program was announced in May. The program provides funds for an individual to purchase a foreclosed or abandoned property. Four sessions were held in the targeted neighborhoods to explain the program to potential buyers, community leaders, and real estate agents. Additional information sessions were held with the Greater Baltimore Board of Realtors and realtors participating with Live Baltimore. Approximately 70 calls were received in late May and June. Four borrowers are pursuing contracts of sale.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/25
# of housing units	0	0	0	0/0	0/0	0/25
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Households benefitting	0	0	0	0/0	0/25	0/25

# of Persons benefitting	0	0	0	0/0	0/0	0/0
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/25
Total acquisition compensation to	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: NSP2-3AH-TB-120

Activity Title: Acquisition/Rehab ABE

Activity Category:

Acquisition - general

Activity Status:

Under Way

Project Number:

NSP2-3AH

Project Title:

Acquisition/Rehab ABE

Projected Start Date:

02/11/2010

Projected End Date:

02/10/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Telesis Baltimore Corporation

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$4,092,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,092,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Telesis Baltimore Corporation	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

If the total development costs exceed the after rehab fair market appraised value, the NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a 30 year period.

Location Description:

Baltimore, MD in the Barclay and Old Goucher neighborhoods, census tract 1204

Activity Progress Narrative:

Telesis Baltimore Corporation identified and obtained site control on 20 properties in the Barclay and Old Goucher neighborhoods. The properties are in the 2200 and 2300 blocks of North Calvert Street and the 2200 block of Guilford Avenue. An architect and contractor have been identified and are reviewing the properties to create a scope for rehabilitation. Six properties will be chosen for the first phase of construction.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/33
# of housing units	0	0	0	0/0	0/0	0/33
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Households benefitting	0	0	0	0/0	0/33	0/33
# of Persons benefitting	0	0	0	0/0	0/0	0/0
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0
# of Parcels acquired by	0	0	0	0/0	0/0	0/0

# of Parcels acquired by admin	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/33
Total acquisition compensation to	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:	NSP2-7FP-DH-120
Activity Title:	Principal Reduction ABE

Activity Category:

Homeownership Assistance to low- and moderate-income

Activity Status:

Under Way

Project Number:

NSP2-7FP

Project Title:

Financing Mechanisms - Principal Reduction ABE

Projected Start Date:

02/11/2010

Projected End Date:

02/10/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Druid Heights Community Development Corporation, Inc.

Overall

Apr 1 thru Jun 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$540,000.00
Total CDBG Program Funds Budgeted	N/A	\$540,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Druid Heights Community Development Corporation, Inc.	\$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:

NSP funds provide principal reduction as a financing mechanism when the fair market value of a completed NSP residence exceeds an eligible borrower's capacity to borrow. The borrower must be at or below 120% of area median income and purchasing a foreclosed, abandoned, or vacant property in an eligible census tract. The NSP subsidy for principal reduction remains as a soft second noninterest bearing mortgage declining in equal increments over 30 years.

Location Description:

Baltimore, MD in the Reservoir Hill neighborhood in census tracts 1301 and 1302

Activity Progress Narrative:

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/10
# of Households benefitting	0	0	0	0/0	0/10	0/10

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: Healthy Neighborhoods Inc.

Grant: B-09-CN-MD-0011

July 1, 2010 thru September 30, 2010 Performance Report

Grant Number:

B-09-CN-MD-0011

Obligation Date:**Grantee Name:**

Healthy Neighborhoods Inc.

Award Date:**Grant Amount:**

\$26,092,880.00

Contract End Date:

02/11/2013

Grant Status:

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

Narratives**Executive Summary:**

The purpose of the Healthy Neighborhoods, Inc. Neighborhood Stabilization Program 2 (NSP2) Grant of \$26,092,880 is to acquire and redevelop 349 units of residential foreclosed, abandoned, or vacant properties in designated neighborhoods in Baltimore, Maryland. The properties predominately are for income eligible homeowners and a small number of units may be developed for renters. A minimum of 25%, \$6,523,220, of the funds, is for foreclosed and abandoned properties developed for households whose incomes are at or below 50% of the area median income (AMI). The remaining funds are for foreclosed, abandoned, or vacant houses targeted for households whose incomes are at or below 120% AMI. The award was received on February 11, 2010 and half of the funds must be expended within two years and the balance totally expended within three years.

Healthy Neighborhoods, Inc, a nonprofit, is the Lead Member of the NSP2 grant, along with five other participants: three non profit Consortium Members: Druid Heights Community Development Corporation, Inc.; Habitat for Humanity of the Chesapeake, Inc.; and St. Ambrose Housing Aid Center, Inc.; Telesis Baltimore Corporation, a for profit development partner; and the City of Baltimore's Department of Housing and Community Development.

Seven neighborhoods encompassing 12 census tracts were selected for housing development activity. Each member of the consortium is concentrating in particular target areas with a number of properties for completion. Druid Heights Community Development Corporation, Inc. is in the Reservoir Hill community in census tracts 1301 and 1302 and is acquiring and rehabilitating 28 units of housing for homeowners or renters. Habitat for Humanity of the Chesapeake, Inc. is in the Patterson Park and McElderry Park neighborhoods in census tracts 601 and 602 and is developing 75 houses for sale to eligible buyers. St. Ambrose Housing Aid Center, Inc. is acquiring, rehabilitating, and selling 186 houses to homeowners in the neighborhoods of Belair Edison in census tracts 80101, 260202, 260301, and 260302; Ednor Gardens in census tract 903; and in Better Waverly and Coldstream Homestead Montebello overlapping census tracts 905 and 906. Telesis Baltimore Corporation is acquiring, rehabilitating, and selling to eligible homeowners 35 houses in the Barclay/Old Goucher neighborhoods in census tract 1204.

Individual homebuyers are purchasing 25 foreclosed, abandoned, or vacant one to four unit residential properties in the designated census tracts. The house must be their primary residency upon completion. Healthy Neighborhoods is coordinating this direct purchase program. All properties are being purchased at a discount of 1% below the current "market value. Most properties will need NSP2 funds to subsidize development. The amount of subsidy varies by property depending on condition and funds needed to meet all local building codes and program requirements including the addition of "green" features where feasible. In addition, if the fair market value of a completed property exceeds a targeted borrower's capacity to borrow, a second mortgage is available to reduce the principal amount of the borrower's first mortgage. Homeowners also have access to \$6,000 for closing cost assistance. The closing cost assistance is a noninterest bearing loan declining in equal increments over five years. For homeownership units, the subsidy for principal reduction combined with closing cost assistance remains as a noninterest loan declining in equal increments five years if the total subsidy is less than \$15,000: over ten years if between \$15,000 and \$40,000; and over 15 years if greater than \$40,000.

>Long term affordability of any rental housing will be assured by a recorded deed restriction and regulatory agreement requiring the occupancy by low income tenants at or below 50% of area median income for a period of 20 years.

No demolition or land banking is anticipated under this program.

Target Geography:

Activities for the NSP2 grant are targeted for Baltimore City in seven neighborhoods encompassing 12 census tracts: Reservoir Hill in tracts 1301 and 1302; Patterson Park/McElderry Park in tracts 601 and 602; Belair Edison in tracts 80101, 260202, 260301, and 260302; Ednor Gardens in tract 903; Better Waverly and Coldstream Homestead Montebello in tracts 905 and 906; and Barclay/Old Goucher in tract 1204. These seven neighborhoods participate in the Healthy Neighborhoods program employing a strategy to strengthen what are referred to as "middle" neighborhoods through a variety of tools utilized in cooperation with neighborhood based organizations. The NSP neighborhoods were selected because they share certain characteristics of average homeownership rates, scattered physical

problems, and vacancies that are not highly concentrated. Many of these neighborhoods were targets for cash out refinances and subprime and aggressive mortgages which all added to the foreclosure crisis. All are suffering from the impact of the slowed economy and the resulting effect on the housing sales market.

Belair Edison is primarily a rowhouse working class community dating back to the 1920's and flanked by some of the city's largest parks. Its modest homes and prices made it perfect target for flipping and predatory lending in the late 1990's. This led to one of the highest number of FHA foreclosures in the country. Belair Edison now is staggering under a second round of foreclosures and declining values.

Ednor Gardens, Better Waverly, and Coldstream-Homestead-Montebello (CHM) are adjacent and border Clifton Park and its public golf course and Lake Montebello with biking and walking lanes. The neighborhoods have a number of assets including a new Giant supermarket; Johns Hopkins University's satellite campus in the center of the neighborhoods; a full service YMCA; a community built playground; and mixed income senior housing. High cost loans are significant at 43.1% in Ednor Gardens, 57.4% in Better Waverly, and 61.8% in CHM. Foreclosure rates are rising. A vigilant approach to deal with foreclosures and vacant house is necessary to stabilize the market.

Reservoir Hill represents the most dramatic effects of the decline of real estate markets and protracted vacancies. This neighborhood of large, architecturally significant, historic townhouses views the city's largest park and is walking distance to a commuter train line and a local light rail. Many houses were transformed into multifamily units overrun with poverty, crime, and drugs. Many became vacant. In the early 2000's it became one of the hottest real estate markets with millions of dollars of investment. Renovation projects have stalled and sales and values have dropped. Turning abandoned and foreclosed condominium units and single family homes back to productive use will be required to give confidence to the area.

Patterson Park/McElderry Park neighborhood was once an extremely stable lower middle class area of industrial workers and rowhouse homeowners. Though just above the 140 acre Patterson Park and below Johns Hopkins medical institutions, the neighborhood declined. A local housing group acquired 500 homes and renovated them. The collapse of the housing market forced the group into bankruptcy. Other investors face similar circumstances and the market is flooded with inventory. Vacant and abandoned units are the biggest problem for this neighborhood.

Barclay/Old Goucher is a working class community with declining population rates and showing signs of disinvestment. Virtually no current real estate market exists. Signs of recovery surround the community with an emerging arts district to the south, increased homeownership to the north and west, and an approved plan for 300 units in Barclay. It is close to several universities. It is only a short walk to the train station and light rail. Active investment of NSP2 funds will establish and stimulate the market.

Program Approach:

The NSP grant is projected to acquire 349 foreclosed or abandoned properties and return them to quality and affordable homeownership or rental units. The primary activity is being conducted by the three nonprofit and one for profit developers who are acquiring and rehabilitating approximately 314 foreclosed and abandoned properties with sale to qualified homebuyers. Properties are being identified by developers in the designated neighborhoods and purchased at a minimum of the required one percent discount from the "as is" appraised value. The properties are being completely renovated and incorporate "green" features. NSP funds are being used to fund development costs that exceed the fair market value of the property. Every homebuyer is eligible for \$6,000 in closing cost assistance. Thirty-five additional properties are being purchased and rehabilitated by individuals for their primary residence. NSP funds will be used for these homebuyers for construction costs, principal reduction, and/or closing cost assistance.

All homebuyers are required to receive eight hours of homeownership counseling from a HUD certified counseling agency. Several Healthy Neighborhoods community organizations are approved counseling agencies and are assisting in qualifying and verifying homebuyers' eligibility. The Healthy Neighborhood partner organizations also are assisting in marketing properties directly to homebuyers and those houses being developed by the NSP team members.

A modest number of rental housing may be developed in the Reservoir Hill community. Subordinate financing will be the difference between the fair market value and the amount of private mortgage debt which can be obtained for the buildings or units upon completion based on a reasonable rental pro forma assuming occupancy by eligible NSP2 households.

Healthy Neighborhoods is administering the program utilizing the allowable ten percent of NSP2 funds. The administrative costs include the time of existing staff dedicated to NSP2, new staff solely working on the program, outside consultants and vendors for appropriate services to assure compliance with NSP2 regulations and completion of the grant award. Healthy Neighborhoods is monitoring the performance of the NSP2 team members to assure they are meeting their performance goals. Healthy Neighborhoods will work with the Baltimore City Department of Housing and Community Development in its monitoring of activities and completion of the environmental review of each property.

The NSP2 team is building and expanding upon the work they already are doing in their NSP2 target census tracts to remediate the destabilizing impacts of foreclosures and vacant and abandoned buildings. The team knows the geography, the real estate market, the costs to purchase and renovate, and the buyers or renters to target. The funded work is building on existing partnerships with community based organizations to provide a wide array of services to neighborhood residents.

The intervention is to safeguard gains, create new quality housing opportunities for homeowners and position the communities to fully participate in a revived market when economic recovery occurs. NSP2 dollars are a key component allowing for quality renovations and serving a market where there still is buying interest. Given the compact nature of the neighborhoods and census tracts there is sufficient scale to make a market difference.

While each neighborhood has unique characteristics and market price points, all share many of the same attributes and issues. The strategies proposed are similar with the intended result being fewer vacant and foreclosed properties, reinvigoration of the market through the introduction of new homeowners, and growing confidence from the effects of visible and continued reinvestment.

Consortium Members:

Healthy Neighborhoods, Inc, a nonprofit, is the Lead Member of the NSP2 grant, along with five other participants: three non profit Consortium Members: Druid Heights Community Development Corporation, Inc.; Habitat for Humanity of the Chesapeake, Inc.; and St. Ambrose Housing Aid Center, Inc.; Telesis Baltimore Corporation, a for profit development partner; and the City of Baltimore's Department of Housing and Community Development. Each member of the consortium is concentrating in particular target areas with a projected number of properties for completion.

Healthy Neighborhoods is administering the program utilizing \$2,372,080 in funds to coordinate activities and manage the financial and compliance aspects of the program. Healthy Neighborhoods is ten years old and partners with 15 local community development groups in 37 neighborhoods to revitalize older Baltimore neighborhoods through rebuilding real estate markets and reestablishing active resident involvement. Seven of the neighborhoods are part of the NSP2 program. Healthy Neighborhoods also is coordinating \$1,025,000 in funds for the direct purchase program for 25 homebuyers at or below 120% of area median income (AMI) to purchase properties in any of the

designated NSP census tracts.

Druid Heights Community Development Corporation, Inc. is acquiring and rehabilitating 28 units of housing for homeowners and renters using \$5,650,000 of NSP2 funds primarily in the Reservoir Hill community: 18 of the units are for sale or rent to individuals or families at or below 50% AMI for \$4,050,000 and \$1,600,000 is for ten homeownership properties serving households at or below 120% AMI. Druid Heights was established in 1971 and provides homeownership counseling, is rehabilitating vacant houses for sale and for rent, constructed new townhomes for sale, rehabilitated a community center, and developed senior housing.

Habitat for Humanity of the Chesapeake, Inc. is focusing in the Patterson Park and McElderry Park neighborhoods and is developing 75 houses for eligible homeowners using \$4,200,000 of NSP2 funds: \$840,000 for 15 foreclosed or abandoned houses for homeowners at or below 50% of (AMI) and \$3,360,000 for 60 foreclosed, abandoned, or vacant units for homeowners at or below 50% of AMI. Habitat is the local affiliate of the international habitat program and has 28 years of experience renovating homes for low income homeowners throughout the metropolitan area.

St. Ambrose Housing Aid Center, Inc. is acquiring, rehabilitating, and selling to eligible homeowners 186 houses predominantly in the neighborhoods of Belair, Ednor Gardens, Better Waverly, and Coldstream Homestead Montebello using \$8,112,600: \$1,497,600 is for 36 for homeowners at or below 50% of (AMI) and \$3,360,000 for 150 homeowners at or below 120% of AMI. St. Ambrose was founded in 1968. In addition to housing development, St. Ambrose offers homeownership counseling, foreclosure prevention counseling and legal services, affordable rental opportunities, and homesharing. Since 2000, it has renovated and sold over 300 foreclosed properties to qualified homebuyers.

Telesis Baltimore Corporation has \$4,733,200 and is developing 35 houses for homeownership in the Barclay/Old Goucher neighborhoods: \$443,200 is for two homes for homeowners at or below 50% (AMI) and \$4,290,000 for 33 homeowners at or below 120% of AMI. Telesis, which was founded in 1985, is a national development organization that plans, finances, and builds affordable housing. It focuses on large-scale neighborhood redevelopment with a mix of uses including rental, homeownership, commercial, and community facilities. In 2008, Telesis was selected By Baltimore City to redevelop over 300 units in Barclay/Old Goucher.

The City of Baltimore’s Department of Housing and Community Development is conducting all environmental review for all of the housing development under the grant. The Department received NSP1 funding and is familiar with NSP federal requirements.

How to Get Additional Information:

For additional information, please contact:

Healthy Neighborhoods, Inc.

>2 East Read Street

>Baltimore, MD 21202

Attention: Lisa R. Evans, Senior Program Officer & NSP2

>Telephone: 410.332.0387, ext. 153

>levans@healthyneighborhoods.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$26,092,880.00
Total CDBG Program Funds Budgeted	N/A	\$26,092,880.00
Program Funds Drawdown	\$192,458.84	\$192,458.84
Obligated CDBG DR Funds	\$1,152,211.37	\$1,152,211.37
Expended CDBG DR Funds	\$0.00	\$68,368.00
Match Contributed	\$0.00	\$0.00
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	\$0.00
Limit on Public Services	\$3,913,932.00	\$0.00
Limit on Admin/Planning	\$2,609,288.00	\$68,368.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,609,288.00	\$2,372,080.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$6,523,220.00	\$10,190,800.00

Overall Progress Narrative:

During July, August, and September of 2010, every partner in the Healthy Neighborhoods NSP2 consortium either purchased properties or had houses under a contract of sale awaiting settlement. Eleven properties were acquired and an additional 20 were in site control. An additional 24 houses were under contract in five of the seven designated neighborhoods. The majority of properties purchased were defined as foreclosed, three were "short sales", and one was acquired at auction.

Habitat for Humanity of the Chesapeake was responsible for nine of the 11 purchases and St. Ambrose Housing Aid Center bought the two remaining houses. Rehabilitation specifications began to be solidified and energy standards reviewed by all members. A Request for Qualifications for architectural services was released by Druid Heights Community Development Corporation to begin design work for several houses in the historic district of Reservoir Hill. Telesis Baltimore awarded architectural and construction contracts to begin work on the first phase of eight of 20 houses in the Barclay neighborhood on two major thoroughfares.

The Direct Purchase Program, which is for homeowners to directly purchase foreclosed or "short sale" houses, initiated its marketing outreach with community events and by conducting trainings with the Greater Baltimore Board of Realtors, the Live Baltimore realtor group, and to individual realtors. Over 50 individuals contacted the program for more information and three have contracts on eligible houses.

Consortium members added staff for property acquisition, construction management, program compliance, and program implementation. Program processes continued to be identified and refined. A Request for Proposal was advertised for assistance with establishment of direct and indirect rates to assist consortium members in recovery their costs for project implementation. The proposal will be awarded very early in the next quarter.

The environmental review process being conducted by Baltimore City's Department of Housing and Community Development has gone very well. Fifty-eight properties were evaluated during this quarter.

A total of \$209,510.34 was expended during the quarter. Funds obligated equaled \$1,152,212.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	(\$26,092,880.00)	\$0.00
NSP2-1AD, Administration	\$112,560.10	\$2,372,080.00	\$112,560.10
NSP2-1AD, Administration	\$0.00	\$0.00	\$0.00
NSP2-2AH-050, Acquisition/Rehab B-050	\$0.00	\$10,190,800.00	\$0.00
NSP2-3AH-120, Acquisition/Rehab B-120	\$79,898.74	\$12,505,000.00	\$79,898.74
NSP2-4FM, Financing Mechanisms - Closing - AB	\$0.00	\$0.00	\$0.00
NSP2-5FM, Financing Mechanisms A	\$0.00	\$1,025,000.00	\$0.00
NSP2-7FP, Financing Mechanisms - Principal Reduction ABE	\$0.00	\$0.00	\$0.00
NSP2-HN-1AD-000, Administrative Costs	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number:	NSP2-DH-2AH-050
Activity Title:	Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-2AH-050

Projected Start Date:

02/11/2010

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-050

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Druid Heights Community Development Corporation, Inc.

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$4,050,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,050,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$8,774.00	\$8,774.00
Expended CDBG DR Funds	\$0.00	\$0.00
Druid Heights Community Development Corporation, Inc.	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed or abandoned properties in designated census tracts for sale to eligible homebuyers at or below 50% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Druid Heights Community Development Corporation. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD, primarily in the neighborhood of Reservoir Hill, census tracts 1301 and 1302

Activity Progress Narrative:

During this past quarter, Druid Heights Community Development Corporation placed one property in the Reservoir Hill community under contract that is expected to be developed for renters earning less than 50% of Area Median Income.

The cost of acquisition is approximately \$15,000 and the property will need total rehabilitation and will require extensive exterior restoration to meet historic standards.

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

Grantee Activity Number:	NSP2-DH-3AH-120
Activity Title:	Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-3AH-120

Projected Start Date:

02/11/2010

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-120

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

Druid Heights Community Development Corporation, Inc.

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,600,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,600,000.00
Program Funds Drawdown	\$79,898.74	\$79,898.74
Obligated CDBG DR Funds	\$186,720.00	\$186,720.00
Expended CDBG DR Funds	\$0.00	\$0.00
Druid Heights Community Development Corporation, Inc.	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to or purchase by eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Druid Heights Community Development Corporation. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD primarily in the Reservoir Hill neighborhood, census tracts 1301 and 1302

Activity Progress Narrative:

During this past quarter, Druid Heights Community Development Corporation placed three properties in the Reservoir Hill community under contract. The approximate cost of acquisition is \$187,000. All of the properties will need extensive rehabilitation work and are expected to be sold to homebuyers earning less than 120% of Area Median Income. A Request for Qualifications was distributed to obtain architectural services for these houses.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households benefitting	0	0	0	0/0	0/10	0/10	0
# of Persons benefitting	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: NSP2-HC-2AH-050

Activity Title: Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-2AH-050

Projected Start Date:

02/11/2010

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-050

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Habitat for Humanity of the Chesapeake, Inc.

Overall

Jul 1 thru Sep 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$4,200,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,200,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$751,005.77	\$751,005.77
Expended CDBG DR Funds	\$0.00	\$0.00
Habitat for Humanity of the Chesapeake, Inc.	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed or abandoned properties in designated census tracts for sale to eligible homebuyers at or below 50% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Habitat for Humanity of the Chesapeake, Inc. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD primarily in the Patterson Park and McElderry Park neighborhoods, census tracts 601 and 602

Activity Progress Narrative:

During this past quarter, Habitat for Humanity of the Chesapeake, purchased nine properties and placed an additional 13 houses in the Patterson Park and McElderry Park neighborhoods under contract. The properties purchased include 156 N. Kenwood, 226 N. Glover, 16 N. Luzerne, 142 N. Decker, 2423 E. Jefferson, 200 N. Glover, 414 N. Glover, 221 N. Montford, and 122 N. Belnord. The acquisition costs were approximately \$764,000 for the nine houses. The properties varied in condition with three needing very little improvements and the remainder will require moderate to total rehabilitation. All of these properties are expected to be sold to families earning less than 50% of the Area Median Income.

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

Grantee Activity Number: NSP2-HN-1AD-000

Activity Title: Administration

Activity Category:

Administration

Project Number:

NSP2-1AD

Projected Start Date:

01/14/2010

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

Healthy Neighborhoods, Inc.

Overall

Jul 1 thru Sep 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$2,372,080.00
Total CDBG Program Funds Budgeted	N/A	\$2,372,080.00
Program Funds Drawdown	\$112,560.10	\$112,560.10
Obligated CDBG DR Funds	\$129,611.60	\$129,611.60
Expended CDBG DR Funds	\$0.00	\$68,368.00
Healthy Neighborhoods, Inc.	\$0.00	\$68,368.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Payment of administrative costs incurred by the Healthy Neighborhoods NSP2 for the coordination of the NSP2 program.

Location Description:

Baltimore, MD

Activity Progress Narrative:

Marketing outreach increased with the Greater Baltimore Board of Realtors, Live Baltimore, and other realtor groups. Outreach to lenders and to the Maryland Department of Housing and Community Development intensified to determine best possible resources for end loan financing for homebuyers and for potential lines of credits.

A part time consultant for the Direct Purchase Program increased his hours because of interest in the program. An advertisement for a Compliance Officer was posted and anticipated to be filled in the next quarter.

Policies and procedures continue to be drafted and implemented. Funds were successfully drawn from the federal DRGR system.

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

Grantee Activity Number:	NSP2-HN-5FM-120
Activity Title:	Direct Purchase Program

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP2-5FM

Projected Start Date:

02/11/2010

Activity Status:

Under Way

Project Title:

Financing Mechanisms A

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

Healthy Neighborhoods, Inc.

Overall	Jul 1 thru Sep 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,025,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,025,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$25,000.00	\$25,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Healthy Neighborhoods, Inc.	\$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:

NSP funds provide assistance for eligible homebuyers to directly purchase foreclosed, abandoned, or vacant properties in designated NSP2 census tracts. The funds are subsidizing principal reduction, a maximum of \$6,000 of closing cost assistance per household, and/or rehabilitation costs. The total subsidy will average \$25,000 except if additional funds are needed for rehabilitation costs that exceed the loan to value of the property.

The direct subsidy to the homebuyer is a soft subordinate second mortgage which declines in equal increments over five years if less than \$15,000; over ten years if \$15,00 to \$40,000; and over 15 years if greater than \$40,000.

Location Description:

Baltimore, MD in the Belair Edison, Ednor Gardens, Better Waverly, and Coldstream-Homestead-Montebello neighborhoods in census tracts 80101, 26202, 260301, 26302, 903, 905, and 906; in Patterson Park and McElderry Park neighborhoods in census tracts 601 and 602; in Reservoir Hill in census tracts 1301 and 1302; and in the Barclay and Old Goucher neighborhoods in census tract 1204

Activity Progress Narrative:

The Direct Purchase Program coordinated by Healthy Neighborhoods, Inc., opened during this past quarter. Marketing began with meetings and outreach to realtors, lenders, and community groups to publicize the program. Over 50 potential homeowners contacted Healthy Neighborhoods and three have contracts under review.

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

Grantee Activity Number: NSP2-SA-3AH-120

Activity Title: Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-3AH-120

Projected Start Date:

02/11/2010

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-120

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

St. Ambrose Housing Aid Center, Inc.

Overall

Jul 1 thru Sep 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$6,615,000.00
Total CDBG Program Funds Budgeted	N/A	\$6,615,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$51,100.00	\$51,100.00
Expended CDBG DR Funds	\$0.00	\$0.00
St. Ambrose Housing Aid Center, Inc.	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by St. Ambrose Housing Aid Center, Inc. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD primarily in the Belair Edison, Ednor Gardens, Better Waverly, and Coldstream-Homestead-Montebello neighborhoods in census tracts 80101, 26202, 260301, 26302, 903, 905, and 906

Activity Progress Narrative:

During this past quarter, St. Ambrose Housing Aid Center purchased two properties and placed two others under contract. All of the houses are in the Belair-Edison neighborhood of northeast Baltimore. The acquisition costs were approximately \$51,000 for the two houses. Both houses will need extensive rehabilitation and are expected to be sold to families earning less than 120% of the Area Median Income. The properties purchased are at 3813 Belair Road and at 4602 Parkside Drive. Plans for rehabilitation are underway.

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

Grantee Activity Number: NSP2-TB-3AH-120

Activity Title: Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-3AH-120

Projected Start Date:

02/11/2010

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-120

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

Telesis Baltimore Corporation

Overall

Jul 1 thru Sep 30, 2010

To Date

Total Projected Budget from All Sources	N/A	\$4,290,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,290,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Telesis Baltimore Corporation	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Telesis Baltimore Corporation. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD in the Barclay and Old Goucher neighborhoods, census tract 1204

Activity Progress Narrative:

During the past quarter, Telesis Baltimore selected properties for its first phase of rehabilitation in the Barclay/Old Goucher communities. Twenty houses in the 2200 block of Guilford and the 2200 and 2300 blocks of North Calvert Street were identified. Architectural plans are underway and Southway Builders was chosen as the construction contractor. Negotiations are ongoing for transfer of the properties to Telesis from Baltimore City.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households benefitting	0	0	0	0/0	0/33	0/33	0
# of Persons benefitting	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: Healthy Neighborhoods Inc.

Grant: B-09-CN-MD-0011

October 1, 2010 thru December 31, 2010 Performance Report

Grant Number:

B-09-CN-MD-0011

Obligation Date:**Grantee Name:**

Healthy Neighborhoods Inc.

Award Date:

02/11/2010

Grant Amount:

\$26,092,880.00

Contract End Date:

02/10/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

Narratives**Executive Summary:**

The purpose of the Healthy Neighborhoods, Inc. Neighborhood Stabilization Program 2 (NSP2) Grant of \$26,092,880 is to acquire and redevelop 349 units of residential foreclosed, abandoned, or vacant properties in designated neighborhoods in Baltimore, Maryland. The properties predominately are for income eligible homeowners and a small number of units may be developed for renters. A minimum of 25%, \$6,523,220, of the funds, is for foreclosed and abandoned properties developed for households whose incomes are at or below 50% of the area median income (AMI). The remaining funds are for foreclosed, abandoned, or vacant houses targeted for households whose incomes are at or below 120% AMI. The award was received on February 11, 2010 and half of the funds must be expended within two years and the balance totally expended within three years.

Healthy Neighborhoods, Inc, a nonprofit, is the Lead Member of the NSP2 grant, along with five other participants: three non profit Consortium Members: Druid Heights Community Development Corporation, Inc.; Habitat for Humanity of the Chesapeake, Inc.; and St. Ambrose Housing Aid Center, Inc.; Telesis Baltimore Corporation, a for profit development partner; and the City of Baltimore's Department of Housing and Community Development.

Seven neighborhoods encompassing 12 census tracts were selected for housing development activity. Each member of the consortium is concentrating in particular target areas with a number of properties for completion. Druid Heights Community Development Corporation, Inc. is in the Reservoir Hill community in census tracts 1301 and 1302 and is acquiring and rehabilitating 28 units of housing for homeowners or renters. Habitat for Humanity of the Chesapeake, Inc. is in the Patterson Park and McElderry Park neighborhoods in census tracts 601 and 602 and is developing 75 houses for sale to eligible buyers. St. Ambrose Housing Aid Center, Inc. is acquiring, rehabilitating, and selling 186 houses to homeowners in the neighborhoods of Belair Edison in census tracts 80101, 260202, 260301, and 260302; Ednor Gardens in census tract 903; and in Better Waverly and Coldstream Homestead Montebello overlapping census tracts 905 and 906. Telesis Baltimore Corporation is acquiring, rehabilitating, and selling to eligible homeowners 35 houses in the Barclay/Old Goucher neighborhoods in census tract 1204.

Individual homebuyers are purchasing 25 foreclosed, abandoned, or vacant one to four unit residential properties in the designated census tracts. The house must be their primary residency upon completion. Healthy Neighborhoods is coordinating this direct purchase program. All properties are being purchased at a discount of 1% below the current "market value. Most properties will need NSP2 funds to subsidize development. The amount of subsidy varies by property depending on condition and funds needed to meet all local building codes and program requirements including the addition of "green" features where feasible. In addition, if the fair market value of a completed property exceeds a targeted borrower's capacity to borrow, a second mortgage is available to reduce the principal amount of the borrower's first mortgage. Homeowners also have access to \$6,000 for closing cost assistance. The closing cost assistance is a noninterest bearing loan declining in equal increments over five years. For homeownership units, the subsidy for principal reduction combined with closing cost assistance remains as a noninterest loan declining in equal increments five years if the total subsidy is less than \$15,000: over ten years if between \$15,000 and \$40,000; and over 15 years if greater than \$40,000.

>Long term affordability of any rental housing will be assured by a recorded deed restriction and regulatory agreement requiring the occupancy by low income tenants at or below 50% of area median income for a period of 20 years.

No demolition or land banking is anticipated under this program.

Target Geography:

Activities for the NSP2 grant are targeted for Baltimore City in seven neighborhoods encompassing 12 census tracts: Reservoir Hill in tracts 1301 and 1302; Patterson Park/McElderry Park in tracts 601 and 602; Belair Edison in tracts 80101, 260202, 260301, and 260302; Ednor Gardens in tract 903; Better Waverly and Coldstream Homestead Montebello in tracts 905 and 906; and Barclay/Old Goucher in tract 1204. These seven neighborhoods participate in the Healthy Neighborhoods program employing a strategy to strengthen what are referred to as "middle" neighborhoods through a variety of tools utilized in cooperation with neighborhood based organizations. The NSP neighborhoods were selected because they share certain characteristics of average homeownership rates, scattered physical

problems, and vacancies that are not highly concentrated. Many of these neighborhoods were targets for cash out refinances and subprime and aggressive mortgages which all added to the foreclosure crisis. All are suffering from the impact of the slowed economy and the resulting effect on the housing sales market.

Belair Edison is primarily a rowhouse working class community dating back to the 1920's and flanked by some of the city's largest parks. Its modest homes and prices made it perfect target for flipping and predatory lending in the late 1990's. This led to one of the highest number of FHA foreclosures in the country. Belair Edison now is staggering under a second round of foreclosures and declining values.

Ednor Gardens, Better Waverly, and Coldstream-Homestead-Montebello (CHM) are adjacent and border Clifton Park and its public golf course and Lake Montebello with biking and walking lanes. The neighborhoods have a number of assets including a new Giant supermarket; Johns Hopkins University's satellite campus in the center of the neighborhoods; a full service YMCA; a community built playground; and mixed income senior housing. High cost loans are significant at 43.1% in Ednor Gardens, 57.4% in Better Waverly, and 61.8% in CHM. Foreclosure rates are rising. A vigilant approach to deal with foreclosures and vacant house is necessary to stabilize the market.

Reservoir Hill represents the most dramatic effects of the decline of real estate markets and protracted vacancies. This neighborhood of large, architecturally significant, historic townhouses views the city's largest park and is walking distance to a commuter train line and a local light rail. Many houses were transformed into multifamily units overrun with poverty, crime, and drugs. Many became vacant. In the early 2000's it became one of the hottest real estate markets with millions of dollars of investment. Renovation projects have stalled and sales and values have dropped. Turning abandoned and foreclosed condominium units and single family homes back to productive use will be required to give confidence to the area.

Patterson Park/McElderry Park neighborhood was once an extremely stable lower middle class area of industrial workers and rowhouse homeowners. Though just above the 140 acre Patterson Park and below Johns Hopkins medical institutions, the neighborhood declined. A local housing group acquired 500 homes and renovated them. The collapse of the housing market forced the group into bankruptcy. Other investors face similar circumstances and the market is flooded with inventory. Vacant and abandoned units are the biggest problem for this neighborhood.

Barclay/Old Goucher is a working class community with declining population rates and showing signs of disinvestment. Virtually no current real estate market exists. Signs of recovery surround the community with an emerging arts district to the south, increased homeownership to the north and west, and an approved plan for 300 units in Barclay. It is close to several universities. It is only a short walk to the train station and light rail. Active investment of NSP2 funds will establish and stimulate the market.

Program Approach:

The NSP grant is projected to acquire 349 foreclosed or abandoned properties and return them to quality and affordable homeownership or rental units. The primary activity is being conducted by the three nonprofit and one for profit developers who are acquiring and rehabilitating approximately 314 foreclosed and abandoned properties with sale to qualified homebuyers. Properties are being identified by developers in the designated neighborhoods and purchased at a minimum of the required one percent discount from the "appraised value". The properties are being completely renovated and incorporate "green" features. NSP funds are being used to fund development costs that exceed the fair market value of the property. Every homebuyer is eligible for \$6,000 in closing cost assistance. Thirty-five additional properties are being purchased and rehabilitated by individuals for their primary residence. NSP funds will be used for these homebuyers for construction costs, principal reduction, and/or closing cost assistance.

All homebuyers are required to receive eight hours of homeownership counseling from a HUD certified counseling agency. Several Healthy Neighborhoods community organizations are approved counseling agencies and are assisting in qualifying and verifying homebuyers' eligibility. The Healthy Neighborhood partner organizations also are assisting in marketing properties directly to homebuyers and those houses being developed by the NSP team members.

A modest number of rental housing may be developed in the Reservoir Hill community. Subordinate financing will be the difference between the fair market value and the amount of private mortgage debt which can be obtained for the buildings or units upon completion based on a reasonable rental pro forma assuming occupancy by eligible NSP2 households.

Healthy Neighborhoods is administering the program utilizing the allowable ten percent of NSP2 funds. The administrative costs include the time of existing staff dedicated to NSP2, new staff solely working on the program, outside consultants and vendors for appropriate services to assure compliance with NSP2 regulations and completion of the grant award. Healthy Neighborhoods is monitoring the performance of the NSP2 team members to assure they are meeting their performance goals. Healthy Neighborhoods will work with the Baltimore City Department of Housing and Community Development in its monitoring of activities and completion of the environmental review of each property.

The NSP2 team is building and expanding upon the work they already are doing in their NSP2 target census tracts to remediate the destabilizing impacts of foreclosures and vacant and abandoned buildings. The team knows the geography, the real estate market, the costs to purchase and renovate, and the buyers or renters to target. The funded work is building on existing partnerships with community based organizations to provide a wide array of services to neighborhood residents.

The intervention is to safeguard gains, create new quality housing opportunities for homeowners and position the communities to fully participate in a revived market when economic recovery occurs. NSP2 dollars are a key component allowing for quality renovations and serving a market where there still is buying interest. Given the compact nature of the neighborhoods and census tracts there is sufficient scale to make a market difference.

While each neighborhood has unique characteristics and market price points, all share many of the same attributes and issues. The strategies proposed are similar with the intended result being fewer vacant and foreclosed properties, reinvigoration of the market through the introduction of new homeowners, and growing confidence from the effects of visible and continued reinvestment.

Consortium Members:

Healthy Neighborhoods, Inc, a nonprofit, is the Lead Member of the NSP2 grant, along with five other participants: three non profit Consortium Members: Druid Heights Community Development Corporation, Inc.; Habitat for Humanity of the Chesapeake, Inc.; and St. Ambrose Housing Aid Center, Inc.; Telesis Baltimore Corporation, a for profit development partner; and the City of Baltimore's Department of Housing and Community Development. Each member of the consortium is concentrating in particular target areas with a projected number of properties for completion.

Healthy Neighborhoods is administering the program utilizing \$2,372,080 in funds to coordinate activities and manage the financial and compliance aspects of the program. Healthy Neighborhoods is ten years old and partners with 15 local community development groups in 37 neighborhoods to revitalize older Baltimore neighborhoods through rebuilding real estate markets and reestablishing active resident involvement. Seven of the neighborhoods are part of the NSP2 program. Healthy Neighborhoods also is coordinating \$1,025,000 in funds for the direct purchase program for 25 homebuyers at or below 120% of area median income (AMI) to purchase properties in any of the

designated NSP census tracts.

Druid Heights Community Development Corporation, Inc. is acquiring and rehabilitating 28 units of housing for homeowners and renters using \$5,650,000 of NSP2 funds primarily in the Reservoir Hill community: 18 of the units are for sale or rent to individuals or families at or below 50% AMI for \$4,050,000 and \$1,600,000 is for ten homeownership properties serving households at or below 120% AMI. Druid Heights was established in 1971 and provides homeownership counseling, is rehabilitating vacant houses for sale and for rent, constructed new townhomes for sale, rehabilitated a community center, and developed senior housing.

Habitat for Humanity of the Chesapeake, Inc. is focusing in the Patterson Park and McElderry Park neighborhoods and is developing 75 houses for eligible homeowners using \$4,200,000 of NSP2 funds: \$840,000 for 15 foreclosed or abandoned houses for homeowners at or below 50% of (AMI) and \$3,360,000 for 60 foreclosed, abandoned, or vacant units for homeowners at or below 50% of AMI. Habitat is the local affiliate of the international habitat program and has 28 years of experience renovating homes for low income homeowners throughout the metropolitan area.

St. Ambrose Housing Aid Center, Inc. is acquiring, rehabilitating, and selling to eligible homeowners 186 houses predominantly in the neighborhoods of Belair, Ednor Gardens, Better Waverly, and Coldstream Homestead Montebello using \$8,112,600: \$1,497,600 is for 36 for homeowners at or below 50% of (AMI) and \$3,360,000 for 150 homeowners at or below 120% of AMI. St. Ambrose was founded in 1968. In addition to housing development, St. Ambrose offers homeownership counseling, foreclosure prevention counseling and legal services, affordable rental opportunities, and homesharing. Since 2000, it has renovated and sold over 300 foreclosed properties to qualified homebuyers.

Telesis Baltimore Corporation has \$4,733,200 and is developing 35 houses for homeownership in the Barclay/Old Goucher neighborhoods: \$443,200 is for two homes for homeowners at or below 50% (AMI) and \$4,290,000 for 33 homeowners at or below 120% of AMI. Telesis, which was founded in 1985, is a national development organization that plans, finances, and builds affordable housing. It focuses on large-scale neighborhood redevelopment with a mix of uses including rental, homeownership, commercial, and community facilities. In 2008, Telesis was selected By Baltimore City to redevelop over 300 units in Barclay/Old Goucher.

The City of Baltimore's Department of Housing and Community Development is conducting all environmental review for all of the housing development under the grant. The Department received NSP1 funding and is familiar with NSP federal requirements.

How to Get Additional Information:

For additional information, please contact:

Healthy Neighborhoods, Inc.

>2 East Read Street

>Baltimore, MD 21202

Attention: Lisa R. Evans, Senior Program Officer & NSP2

>Telephone: 410.332.0387, ext. 153

>levans@healthyneighborhoods.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$26,092,880.00
Total CDBG Program Funds Budgeted	N/A	\$26,092,880.00
Program Funds Drawdown	\$2,166,960.25	\$2,359,419.09
Program Funds Obligated	\$1,258,307.72	\$2,410,519.09
Program Funds Expended	\$0.00	\$68,368.00
Match Contributed	\$0.00	\$0.00
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	\$0.00
Limit on Public Services	\$3,913,932.00	\$0.00
Limit on Admin/Planning	\$2,609,288.00	\$248,709.35
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,609,288.00	\$2,372,080.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$6,523,220.00	\$10,290,800.00

Overall Progress Narrative:

During October, November, and December of 2010, every partner in the Healthy Neighborhoods NSP2 consortium purchased properties and had houses under contracts of sale awaiting settlement. Consortium members now own a total of 32 houses in five of the seven neighborhoods and 26 of those were settled this quarter. Another 20 houses are under site control. Two homes were purchased directly by homeowners. Eighteen houses are under contract of sale including three properties in another of the designated communities. The houses vary greatly in condition. All are slated for sale to eligible homeowners but one house in Reservoir Hill that is expected to be a rental property.

Habitat for Humanity of the Chesapeake purchased 13 properties; Druid Heights Community Development Corporation acquired five; St. Ambrose Housing Aid Center bought three houses; and two houses settled through the Healthy Neighborhoods Direct Purchase Program.

All of the NSP2 developers completed architectural drawings and signed construction contracts for over half of their properties. All properties were secured and winterized. Construction is being staged with several properties underway. Completion times will differ based on the extent of rehabilitation needed.

Rehabilitation specifications are very near to being finalized and are expected to be finalized early next quarter. Healthy Neighborhoods contracted with three inspection firms to review costs and status and quality of construction. Inspectors were assigned to several projects.

Two homes were purchased through the Direct Purchase Program by individuals with one in the Ednor Gardens community and the other in the Reservoir Hill neighborhood. Six others in three different neighborhoods are under contract with another five offers pending. Interest in the program is strong but offers on "short sale" properties take a number of months to be considered and approved by the mortgage servicers. Outreach to publicize the program continues to the real estate community.

Overall policies and procedures continue to be solidified. Healthy Neighborhoods hired a full time Compliance Officer. Healthy Neighborhoods engaged a consulting firm to assist with review of the nonprofit partners consortium members in recovery of their costs for project implementation.

A total of \$2,245,027.94 was expended during the quarter.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	(\$26,092,880.00)	\$0.00
NSP2-1AD, Administration	\$136,149.25	\$2,372,080.00	\$248,709.35
NSP2-2AH-050, Acquisition/Rehab B-050	\$1,734,837.06	\$10,190,800.00	\$1,734,837.06
NSP2-3AH-120, Acquisition/Rehab B-120	\$252,429.44	\$12,505,000.00	\$332,328.18
NSP2-5FM, Financing Mechanisms A	\$43,544.50	\$1,025,000.00	\$43,544.50

Activities

Grantee Activity Number:	NSP2-DH-2AH-050
Activity Title:	Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-2AH-050

Projected Start Date:

02/11/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-050

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

Responsible Organization:

Druid Heights Community Development Corporation, Inc.

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$4,050,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,050,000.00
Program Funds Drawdown	\$15,607.83	\$15,607.83
Program Funds Obligated	\$6,833.83	\$15,607.83
Program Funds Expended	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties in designated census tracts for sale to eligible homebuyers at or below 50% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Druid Heights Community Development Corporation. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD, primarily in the neighborhood of Reservoir Hill, census tracts 1301 and 1302

Activity Progress Narrative:

During this quarter, Druid Height Community Development Corporation purchased 2408 Linden Avenue in the Reservoir Hill neighborhood. The property is slated to be developed as rental housing with possibly up to five units for families earning less than 50% of the Area Median Income. Architectural drawings were begun and a contractor is developing cost estimates. The property includes a large detached house plus a separate carriage house. Extensive rehabilitation is required and will entail major exterior work to comply with historic standards.

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

Grantee Activity Number:	NSP2-DH-3AH-120
Activity Title:	Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-3AH-120

Projected Start Date:

02/11/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-120

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

Responsible Organization:

Druid Heights Community Development Corporation, Inc.

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,600,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,600,000.00
Program Funds Drawdown	\$252,429.44	\$332,328.18
Program Funds Obligated	\$145,608.18	\$332,328.18
Program Funds Expended	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to or purchase by eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Druid Heights Community Development Corporation. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD primarily in the Reservoir Hill neighborhood, census tracts 1301 and 1302

Activity Progress Narrative:

Four properties were purchased by the Druid Height Community Development Corporation at 2517 Madison, 2553 Madison, 606 Lennox Avenue, and 2434 Linden Avenue. All of the properties are in Reservoir Hill and are being developed for sale to eligible homeowners earning less than 120% of Area Median Income. Architectural drawings were completed for 2553 Madison and construction was bid. An architectural RFQ was placed for the remaining properties. One additional property is under contract and another has an offer pending.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/10
# of buildings (non-residential)	0	0/0

# of Parcels acquired by	0	0/0
# of Parcels acquired by admin	0	0/0
# of Parcels acquired voluntarily	0	0/10
Total acquisition compensation to	0	0/0

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

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/10	0/10	0
# of Persons	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: NSP2-HC-2AH-050

Activity Title: Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-2AH-050

Projected Start Date:

02/11/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-050

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

Responsible Organization:

Habitat for Humanity of the Chesapeake, Inc.

Overall

Oct 1 thru Dec 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$4,200,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,200,000.00
Program Funds Drawdown	\$1,719,229.23	\$1,719,229.23
Program Funds Obligated	\$968,223.46	\$1,719,229.23
Program Funds Expended	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties in designated census tracts for sale to eligible homebuyers at or below 50% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Habitat for Humanity of the Chesapeake, Inc. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD primarily in the Patterson Park and McElderry Park neighborhoods, census tracts 601 and 602

Activity Progress Narrative:

Habitat for Humanity of the Chesapeake purchased 13 properties this past quarter in the Patterson Park and McElderry Park neighborhoods. The addresses are 122 North Belnord; 135 N. Decker; 5, 138, and 405 North Glover; 2423 East Jefferson; 156 Linwood; 113, 152, and 215 North Milton; 32 North Potomac; 2710 Pulaski; and 129 North Streeper. The properties vary in condition from a vacant property that will require total renovation and several short sales that will need only a minimum of repair. All homes will be sold upon completion to families earning less than 50% of the Area Median Income. Four additional houses are under contract of sale.

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Properties	0		0/75	
# of buildings (non-residential)	0		0/0	
# of Parcels acquired by	0		0/0	
# of Parcels acquired by admin	0		0/0	
# of Parcels acquired voluntarily	0		0/75	
Total acquisition compensation to	0		0/0	

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		0/75	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/75	0/0	0/75	0
# of Persons	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: NSP2-HN-1AD-000

Activity Title: Administration

Activity Category:

Administration

Project Number:

NSP2-1AD

Projected Start Date:

01/14/2010

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

Responsible Organization:

Healthy Neighborhoods, Inc.

Overall

Oct 1 thru Dec 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$2,372,080.00
Total CDBG Program Funds Budgeted	N/A	\$2,372,080.00
Program Funds Drawdown	\$136,149.25	\$248,709.35
Program Funds Obligated	\$119,097.75	\$248,709.35
Program Funds Expended	\$0.00	\$68,368.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Payment of administrative costs incurred by the Healthy Neighborhoods NSP2 for the coordination of the NSP2 program.

Location Description:

Baltimore, MD

Activity Progress Narrative:

Overall policies and procedures continue to be solidified. Healthy Neighborhoods hired a full time Compliance Officer at the end of December. Healthy Neighborhoods also engaged a consulting firm to assist with review of the nonprofit partners consortium members in recovery of their costs for project implementation.

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

Grantee Activity Number:	NSP2-HN-5FM-120
Activity Title:	Direct Purchase Program

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

NSP2-5FM

Projected Start Date:

02/11/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Financing Mechanisms A

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

Responsible Organization:

Healthy Neighborhoods, Inc.

Overall	Oct 1 thru Dec 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$75,000.00
Total CDBG Program Funds Budgeted	N/A	\$75,000.00
Program Funds Drawdown	\$43,544.50	\$43,544.50
Program Funds Obligated	\$18,544.50	\$43,544.50
Program Funds Expended	\$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:

NSP funds provide assistance for eligible homebuyers to directly purchase foreclosed, abandoned, or vacant properties in designated NSP2 census tracts. The funds are subsidizing principal reduction, a maximum of \$6,000 of closing cost assistance per household, and/or rehabilitation costs. The total subsidy will average \$25,000 except if additional funds are needed for rehabilitation costs that exceed the loan to value of the property.

The direct subsidy to the homebuyer is a soft subordinate second mortgage which declines in equal increments over five years if less than \$15,000; over ten years if \$15,00 to \$40,000; and over 15 years if greater than \$40,000.

Location Description:

Baltimore, MD in the Belair Edison, Ednor Gardens, Better Waverly, and Coldstream-Homestead-Montebello neighborhoods in census tracts 80101, 26202, 260301, 26302, 903, 905, and 906; in Patterson Park and McElderry Park neighborhoods in census tracts 601 and 602; in Reservoir Hill in census tracts 1301 and 1302; and in the Barclay and Old Goucher neighborhoods in census tract 1204

Activity Progress Narrative:

Two homes were purchased directly by individuals with one in the Ednor Gardens community and the other in the Reservoir Hill neighborhood. Both properties were in excellent condition and needed only minor cosmetic repairs. Six others in three different neighborhoods are under contract with another five offers pending. Interest in the program is strong but offers on "short sale" properties take a number of months to be considered and approved by the mortgage servicers. Outreach continues to the real estate community.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	2	2	0/0	2/25	2/25	100.00
# Owner Households	0	2	2	0/0	2/25	2/25	100.00

Activity Locations

Address	City	State	Zip
825 Newington Avenue	Baltimore	NA	21217
3703 Loch Raven Boulevard	Baltimore	NA	21218

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: NSP2-SA-3AH-120

Activity Title: Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-3AH-120

Projected Start Date:

02/11/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-120

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

Responsible Organization:

St. Ambrose Housing Aid Center, Inc.

Overall

Oct 1 thru Dec 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$6,615,000.00
Total CDBG Program Funds Budgeted	N/A	\$6,615,000.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$51,100.00
Program Funds Expended	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by St. Ambrose Housing Aid Center, Inc. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD primarily in the Belair Edison, Ednor Gardens, Better Waverly, and Coldstream-Homestead-Montebello neighborhoods in census tracts 80101, 26202, 260301, 26302, 903, 905, and 906

Activity Progress Narrative:

St. Ambrose Housing Aid Center purchased three houses this quarter and all are located in the Belair Edison neighborhood. The addresses are 3444 Cliftmont, 3509 Elmora, and 4720 Shamrock. These houses all require rehabilitation work and construction contracts are being bid. Upon completion the homes will be sold to eligible homeowners earning less than 120% of Area Median Income. Seven other houses are under contract in the Belair Edison neighborhood. Six offers are pending in two neighborhoods.

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

Grantee Activity Number: NSP2-TB-3AH-120

Activity Title: Acquisition/Rehab B

Activity Category:

Acquisition - general

Project Number:

NSP2-3AH-120

Projected Start Date:

02/11/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition/Rehab B-120

Projected End Date:

02/10/2013

Completed Activity Actual End Date:

Responsible Organization:

Telesis Baltimore Corporation

Overall

Oct 1 thru Dec 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$4,290,000.00
Total CDBG Program Funds Budgeted	N/A	\$4,290,000.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$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:

NSP2 funds are being used to acquire and rehabilitate foreclosed, abandoned, or vacant properties for sale to eligible homebuyers at or below 120% of area median income. All properties are being purchased at a discount of 1% below the current "as is" appraised value.

Closing cost assistance of \$6,000 is available to eligible home buyers for NSP2 properties developed by Telesis Baltimore Corporation. The closing cost assistance from NSP funds remain as a noninterest bearing soft second mortgage declining in equal increments over a five year period.

Location Description:

Baltimore, MD in the Barclay and Old Goucher neighborhoods, census tract 1204

Activity Progress Narrative:

Telesis Baltimore Corporation finalized architectural drawings and the construction contract for eight properties in the Barclay Old Goucher neighborhood. Site control will be transferred from the Housing Authority of Baltimore City to Telesis very early in the new year. The properties all are located in the 2200 and 2300 blocks of North Calvert.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/33
# of buildings (non-residential)	0	0/0
# of Parcels acquired by	0	0/0
# of Parcels acquired by admin	0	0/0

# of Parcels acquired voluntarily	0	0/33
Total acquisition compensation to	0	0/0

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	0/33

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Permanent Jobs Created	0	0	0	0/0	0/0	0/0	0

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	0/33	0/33	0
# of Persons	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	