

**Grantee: Pueblo, CO**

**Grant: B-11-MN-08-0005**

**April 1, 2017 thru June 30, 2017 Performance Report**

---



**Grant Number:**

B-11-MN-08-0005

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

Pueblo, CO

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

Submitted - Await for Review

**Grant Award Amount:**

\$1,460,506.00

**Grant Status:**

Active

**QPR Contact:**

No QPR Contact Found

**LOCCS Authorized Amount:**

\$1,460,506.00

**Estimated PI/RL Funds:**

\$358,248.53

**Total Budget:**

\$1,818,754.53

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The City of Pueblo has revised its Bessemer target area by one block group CT 24.1001. This revision does not affect the Neighborhood NSP3 Score of 20 nor does it affect the State Minimum Threshold of 17. This change allows for the inclusion of the west side of Lake Ave, as the previous boundary map divided Lake Ave down the center line of the street. The Eastside target area is also revised by including CT 10 (all tracts). This is an area of increased number of foreclosures. Its inclusion will allow the City to use NSP3 funds and program income to serve the Eastside neighborhood.

The Department of Housing and Urban Development (HUD) provided local governments with an estimate of the number of homes that have completed or were at risk of becoming foreclosed by using the following data:

1. Rate of Subprime Loans. This is measured with HMDA data on high cost and high leverage loans made between 2004 and 2007.

1. Increase in Unemployment Rate between March 2005 and March 2010. These data are from the BLS Local Area Unemployment Statistics, at the city and county level.

1. Fall in Home Value from Peak to Trough. Home value data at the Metropolitan Area level is available quarterly through March 2010 from the Federal Housing Finance Agency Home Price Index.

HUD rated each census tract and / or neighborhood on a scale from 1 to 20, with 20 being the areas with greatest need using this data. This foreclosure score allows local governments to target funding to those areas with the highest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage related loans and those areas likely to face a significant rise in the rate of home foreclosures.

The Department of Housing and Citizen Services mapped various neighborhoods within the City to identify those areas of greatest need in which we could have the greatest impact, as recommended by the Notice of Formula Allocations. Eight areas were mapped in the Bessemer neighborhood. Eight areas were mapped in the Southside neighborhood. Seven areas were mapped in the Northside neighborhood. Five areas were mapped in the Eastside neighborhood. The areas were chosen initially based on housing prices and income levels.

The HUD NSP3 Mapping Tool was used to retrieve information on foreclosures within the outlined areas, and to determine the impact percentage that would be required under the grant. The Department of Housing and Citizen Services worked with the real estate agency currently under contract for NSP 1 to provide information on the listings in the areas that are being



considered. The information contained in the report provided the following: list price; selling price; sold/list (%); price/sq. ft (\$); price/acre (\$); days on market. Realty Tract data was also used to map listings in the proposed target areas to gain a visual perspective of where impacts could be made. NSP1 projects were overlaid on these maps to add an additional layer of impact. HUD has established several recommended guidelines for communities to use when selecting th

### Summary of Distribution and Uses of NSP Funds:

>  
target area. Primarily, HUD is recommending that the community be able to address at least 20% of the REO properties. Because NSP3 funding is only \$1,460,506, it is estimated that 11 properties will be acquired and rehabilitated with NSP3 funds (HUD is not allowing communities to use the homes that may be subsequently purchased with NSP3 program income in this application). This means that the NSP3 site will need to be modest in size. The areas selected lay within census tracts 6, 7, 8, 12, 20, 21, and 24, some of which are part of the NSP 1 target areas.

Initial review of the above-mentioned sources revealed several areas of greatest need. In an effort to meet the impact requirement under the grant, the City chose to concentrate on three areas. The NSP3 target area consists of three neighborhoods: Bessemer, Eastside, Westside/Downtown. There were certainly areas of much greater need, based on the number of foreclosures in a neighborhood, however the number of units required to be processed in conjunction with the funding available precludes the City from making a substantial impact in those areas. The selected target areas have smaller land areas and show impact numbers that could be reasonably achieved with the funding that will be made available from NSP 3 and HOME funding.

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 17, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15.

Area 1 – Bessemer Target 1 - Revised February 2013

Neighborhood ID: 6988372

NSP3 Planning Data

Grantee ID: 0812780E Grantee State: CO Grantee Name: PUEBLO Grantee Address:  
Grantee Email: adaclark@pueblo.us

Neighborhood Name: Bessemer Revised  
Date: 2013-03-04 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 20  
State Minimum Threshold NSP3 Score: 17  
Total Housing Units in Neighborhood: 1954

Area Benefit Eligibility  
Percent Persons Less than 120% AMI: 87.53  
Percent PerLn%M

### Summary of Distribution and Uses of NSP Funds:

: 68.44

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current or potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area,



users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 1936  
Residential Addresses Vacant 90 or more days (USPS, March 2010): 157  
Residential Addresses NoStat (USPS, March 2010): 23

#### Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 551  
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 41.04  
Percent of Housing Units 90 or more days delinquent or in foreclosure: 11.21  
Number of Foreclosure Starts in past year: 68  
Number of Housing Units Real Estate Owned July 2009 to June 2010: 40

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 14

Supporting Data/pgtlt/g;MeroltanAra

#### Summary of Distribution and Uses of NSP Funds:

or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -8  
Place (if place over 20,000) or county unemployment rate June 2005\*: 7.6  
Place (if place over 20,000) or county unemployment rate June 2010\*: 9.9  
\*Bureau of Labor Statistics Local Area Unemployment Statistics

#### Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

#### Latitude and Longitude of corner points

-104.612889 38.249707 -104.612975 38.237169 -104.626236 38.237000 -104.626322 38.249606

#### Blocks Comprising Target Neighborhood

081010020003006, 081010020003008, 081010020003012, 081010020003011, 081010020003010,  
081010020003007, 081010020004012, 081010020004011, 081010020004010, 081010020004009,  
081010020004008, 081010020004007, 081010020004004, 081010020005000, 081010020005001,  
081010020005003, 081010020005005, 081010020005007, 081010020005008, 081010020005006,  
081010020005004, 0810100005002, 081010021001002, 081010021001004, 081010021001011,  
081010021001010, 081010021001003, 081010021002000, 081010021002002, 081010021002003,  
081010021002001, 081010021002004, 081010021002006, 081010021002008, 081010021002010,  
081010021002014, 081010021002013, 081010021002012, 081010021002011, 081010021002009,  
081010021002007, 081010021002005, 081010021003000, 081010021003012, 081010021003011,  
081010021003010, 081010021003009, 081010021003008, 081010021003007, 081010021003006,  
081010021003005, 081010021003004, 081010021003017, 081010021003016, 081010021003015,



081010021003014, 081010021003013, 081010021003001, 081010021003003, 081010021003002, 081010022001002, 081010022001003, 081010022001001, 081010022001004, 081010022001005, 081010023001000, 081010023001001, 081010023001003, 081010023001002, 081010024001000, 081010024001012, 081010024001011, 081010024001010, 081010024001016, 081010024001001, 081010024001002, 081010025001000, 081010025001001, 081010025001019, 0810

**Summary of Distribution and Uses of NSP Funds:**

10025001018,  
081010025002000, 081010025002001, 081010025002016, 081010025002015, 081010025002021,  
081010025002020, 081010025002019, 081010025002018, 081010025002017, 081010025003000,  
081010025003002, 081010025003003, 081010025003001, 081010025003004, 081010025003020,  
Area 2 Eastside URA Target 1

Neighborhood NSP3 Score: 20  
State Minimum Threshold NSP3 Score: 17  
Total Housing Units in Neighborhood: 755

Area Benefit Eligibility  
Percent Persons Less than 120% AMI: 92.54  
Percent Persons Less than 80% AMI: 83.78

USPS Residential Addresses in Neighborhood: 748  
Residential Addresses Vacant 90 or more days (USPS, March 2010): 96  
Residential Addresses NoStat (USPS, March 2010): 8

Total Housing Units to receive a mortgage between 2004 and 2007: 196  
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 48.39  
Percent of Housing Units 90 or more days delinquent or in foreclosure: 12.25  
Number of Foreclosure Starts in past year: 26  
Number of Housing Units Real Estate Owned July 2009 to June 2010: 15

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -8  
Place (if place over 20,000) or county unemployment rate June 2005\*: 7.6  
Place (if place over 20,000) or county unemployment rate June 2010\*: 9.9  
\*Bureau of Labor Statistics Local Area Unemployment Statistics  
Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 5

**Area 3 Downtown Target 1**

Neighborhood NSP3 Score: 20  
State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 901

Area Benefit Eligibility  
Percent Persons Less than 120% AMI: 92.91  
Percent Persons Less than 80% AMI: 77.13

USPS Residential Addresses in Neighborhood: 875  
Residential Addresses Vacant 90 or more days (USPS, March 2010): 84  
Residential Addresses NoStat (USPS, March 2010): 23

Total Housing Units to receive a mortgage between 2004 and 2007: 176  
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 43.77  
Percent of Housing Units 90 or more days delinquent or in foreclosure: 11.19  
Number of Foreclosure Starts in past year: 22  
Number of Housing Units Real Estate Owned July 2009 to June 2010: 13

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -8  
Place (if place over 20,000) or county unemployment rate June 2005\*: 7.6  
Place (if place over 20,000) or county unemployment rate June 2010\*: 9.9  
\*Bureau of Labor Statistics Local Area Unemployment Statistics

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 5



### **How Fund Use Addresses Market Conditions:**

This activity will address local housing market conditions by rehabilitating structures in high risk neighborhoods. This target area has many homes that were built in the earlier part of the century and the systems have become obsolete, as well as the structure not meeting code. The rehabilitation of these units will allow for safe, decent and sanitary housing to the low to moderate-income population.

### **Ensuring Continued Affordability:**

The City will utilize a "Recapture Method" as defined by 24 CFR 92.254 (5) (ii) through liens on each property to ensure that the homeowner cannot recapture a windfall profit. All NSP funds will be recaptured if NSP homeowners should sell their homes before the time period of designated "Long-Term Affordability" expires. These recapture provisions will be enforced by a note and second mortgage on the property.

The City will follow the HOME program standards as a minimum in complying with the long-term affordability component of the NSP3 program. Funding provided per rental or homeownership unit less than \$15,000 will have a 5-year affordability period, funding provided between \$15,000 ] \$40,000 per unit will have a 10-year affordability period, and funding greater the \$40,000 per unit will have a 15-year affordability period. New construction rental projects will have a 20-year affordability period, regardless of the amount of subsidy, as required by the HOME regulations.

Repayments will be re-invested in the NSP program on eligible activities.

### **Definition of Blighted Structure:**

"Blighted Area" means an area that, in its present condition and use and, by reason of the presence of at least four of the following factors, substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to public health, safety, morals, or welfare:

- [a] Slum, deteriorated, or deteriorating structures;
- [b] Predominance of defective or inadequate street layout;
- [c] Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- [d] Unsanitary or unsafe conditions;
- [e] Deterioration of site or other improvements;
- [f] Unusual topography or inadequate public improvements or utilities;
- [g] Defective or unusual conditions of title rendering the title non-marketable;
- [h] The existence of conditions that endanger life or property by fire or other causes;
- [i] Buildings that are unsafe or unhealthy for persons to live or work because of building code violations, dilapidation, deterioration, defective design, physical construction, or faulty or inadequate facilities;
- [j] Environmental contamination of buildings or property;
- [k.5] The condition of health, safety, or welfare factors requiring high levels of municipal services or substantial physical underutilization or vacancy of sites, buildings or other improvements; [l] If there is no objection of such property owner or owners and the tenant or tenants of such owners, in and, to the inclusion of such property in an urban renewal area, "blighted area" also means an area that, in its present condition and use and, by reason of the presence of any one of the factors specified in paragraphs [a] to [k.5] of this subsection (2), substantially impairs or arrests the sound growth of the municipality, retards the provision of housing accommodations, or constitutes an economic or social liability, and is a menace to the public health, safety, morals or welfare. For purposes of this paragraph (1), the fact that an owner of interest in such property does not object to the inclusion of such property in the urban renewal area does not mean that the owner has waived any rights of such owner in connection with laws governing condemnation.

SOURCE: COLORADO REVISED STATUTE 31-25-103(2).

### **Definition of Affordable Rents:**

Rents are considered affordable when household rent payments do not exceed HUD-defined Fair Market Rent Limits and Rent Payments added to a household utility allowance do not exceed 30% of a family's adjusted income.

### **Housing Rehabilitation/New Construction Standards:**

The City of Pueblo Rehabilitation Program Standards establish the requirements that all properties must meet, following the completion of any rehabilitation using federal, state or local funds. The standards require that, upon completion, all homes meet the following statutory requirements:

1997 Uniform Housing Code,  
Section 8 Housing Quality Standards  
HUD Lead Safe Work Practices  
HOME, CDBG and NSP program regulations (if applicable)

The rehabilitation standards also specify the types of products that must be installed to insure that any older obsolete products and appliances, such as windows, doors, lighting, hot water heaters, furnaces, boilers, air-conditioning units, and refrigerators are replaced with Energy Star-labeled



products. The rehabilitation specifications require that water efficient toilets, showers and faucets be installed when these fixtures are replaced.

Because technology is improving and the cost for Energy Star appliances continues to decrease, the standards are constantly changing to provide the products with the lowest energy demand.

New homes and gut rehabilitation projects will also be required to meet the standard for Energy Star Qualified New Homes. Should there be any gut rehabilitation of mid or high rise multifamily housing, that housing must all be designed to meet the American Society of Heating, Refrigerating and Air Conditioning Engineers Standard 90.1]2004, Appendix G plus 20 percent.

The rehabilitation standards require compliance with the accessibility standards at 24 CFR part 8.

**Vicinity Hiring:**

The City of Pueblo will give local contractors priority rating on the RFP. Contractors who hire new employees must, to the maximum extent possible, hire workers who live in the NSP3 program area and contract with small businesses that are either owned and operated by persons residing in the vicinity of the project. A provision will be inserted in all contracts incorporating this requirement.

**Procedures for Preferences for Affordable Rental Dev.:**

The City's Land Use Department does not provide for preferences to Affordable Rental Development. We understand that multi-family housing is the easiest way to address the issue of substandard housing for a large number of households. However, we also acknowledge that there are unique problems created when we concentrate low income families. We will attempt to provide as many units of affordable housing as possible, with the understanding that under NSP1 there were no foreclosed multi-family complexes in the targeted areas.

**Grantee Contact Information:**

Ada Clark, 2631 E 4 St., Pueblo, CO 81001, 719-553-2845, adaclark@pueblo.us

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,772,200.01
<b>Total Budget</b>	\$0.00	\$1,772,200.01
<b>Total Obligated</b>	\$0.00	\$1,772,200.01
<b>Total Funds Drawdown</b>	\$0.00	\$1,771,996.82
<b>Program Funds Drawdown</b>	\$0.00	\$1,460,289.86
<b>Program Income Drawdown</b>	\$0.00	\$311,706.96
<b>Program Income Received</b>	\$0.00	\$358,248.53
<b>Total Funds Expended</b>	\$0.00	\$1,509,436.93
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$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	\$219,075.90	\$0.00
Limit on Admin/Planning	\$146,050.60	\$177,221.30
Limit on State Admin	\$0.00	\$177,221.30
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$146,050.60	\$177,221.30

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$365,126.50	\$745,710.69

## Overall Progress Narrative:

No progress has been made on the Program. The EPA just recently issued its IROD and will proceed with site clean-ups, however, the Superfund boundaries have not been determined. We are awaiting this process to be completed so that we may build and the buyers be able to obtain mortgages.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP301, Redevelopment	\$0.00	\$1,011,805.97	\$700,099.01
NSP302, Acquisition / Rehabilitation	\$0.00	\$277,727.43	\$277,524.24
NSP303, Land Banking	\$0.00	\$305,445.31	\$305,445.31
NSP304, Administration	\$0.00	\$177,221.30	\$177,221.30





