



Department of Administration  
Community Development Grants Administration

Tom Barrett  
Mayor

Sharon Robinson  
Director of Administration

Steven L. Mahan  
Community Block Grant Director

June 21, 2010

Mr. James Sayers  
Milwaukee Neighborhood Reclamation Company, LLC  
809 North Broadway, 1st Floor  
Milwaukee, WI 53202

Re: Obligation Requirements- NSP1 Funds

Dear Mr. Sayers:

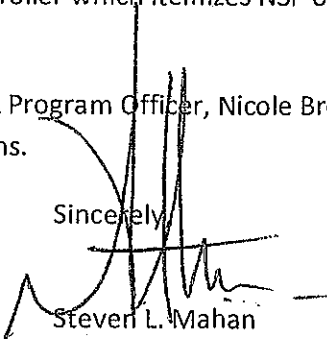
The U.S. Department of Housing and Urban Development (HUD) has addressed their second letter of concern to the Community Development Grants Administration (CDGA) on the NSP1 Grant's unallocated obligations.

Milwaukee Neighborhood Reclamation Company, LLC (MNRC) was awarded an aggregate of \$1,004,219 for NSP1 activity. As of June 15, 2010, MNRC has obligated \$763,225; 76% in Landbank activity. CDGA would like to remind MNRC on the importance on having all NSP1 funds obligated by HUD's deadline of September 18, 2010.

If funds are not 100% obligated, The City of Milwaukee is at risk of recapture and reallocation of NSP1 grant funds. In the event that a portion of the NSP1 funds are recaptured, this will greatly jeopardize the NSP2 award for \$25,000,000. Attached are copies of The City of Milwaukee's letter of concern from HUD and a summarized report from The City Comptroller which itemizes NSP obligations and expenditures per activity.

Thanks for your attention to this matter. Your CDGA Program Officer, Nicole Brookshire is available to assist you at 286-5548 should you have any questions.

Sincerely,

  
Steven L. Mahan  
Block Grant Director

Attachments

Cc: Program Officer, CDGA

Judy Allen, DCD

Maria Prioletta, DCD

Kimberly Montgomery, Mayor's Office

Members of Special Joint Committee on Abandoned and Foreclosed Homes



U.S. Department of Housing and U  
Milwaukee Field Office  
Suite 1380  
310 West Wisconsin Avenue  
Milwaukee, WI 53203-2289  
<http://www.hud.gov/local/mil/>

CDEA  
2010 JUN 10 PM 2:14

June 9, 2010

Steven L. Mahan, Program Director  
City of Milwaukee-Community Block Grant Administration  
200 E. Wells St.  
Milwaukee, WI 53202

Dear Mr. Mahan:

RE: Obligation Requirements  
Neighborhood Stabilization Program 1

This letter is a reminder to the City of Milwaukee that the NSP-1 program has a 100% obligation requirement that is coming due on September 18, 2010.

The United States Congress created the NSP-1 program under Title III of Division B of the Housing and Economic Recovery Act (HERA). According to HERA "any grantee receiving a grant shall, not later than 18 months after the receipt of such amounts, use such amounts to purchase and redevelop abandoned and foreclosed homes and residential properties". The Department of Housing and Urban Development issued the terms of this requirement in the Federal Register Notice Vol. 73; No 194 Part II(M)(1) Timeliness of Use and Expenditure of NSP Funds. For the statutory 18-month use period, Accounting records and DRGR information must reflect outlays (expenditures) and un-liquidated obligations for approved activities that, in the aggregate, are at least equal to the NSP allocation.

As of June 2, 2010, The City of Milwaukee has obligated \$4,916,126 out of its \$9,197,465 NSP-1 allocation. This is an obligation rate of 53.5%. The City of Milwaukee must obligate an additional \$4,281,339, by September 18, 2010, to be in compliance with the NSP obligation requirement. Any grantee that has less than a 100% obligation rate is at risk of HUD recapturing and reallocating their grant funds.

If there are any questions or if you need technical assistance, please contact Michael Martin, Senior Community Planning and Development Representative at (414) 297-3214, extension 8116.

Sincerely,

  
Senorma L. Mitchell, Director  
Office of Community Planning  
and Development, SID

Neighborhood Stabilization Prg	NS1000000000	Budget	Unallocated	Unallocated %	Obligated	Expended	% of Obligated Expended
Fed NSP Admin-Comptroller	NS1100100211	84,500.00	84,500.00	100.00%	84,500.00	64,057.87	75.81%
Fed NSP Admin--CDGA	NS1100200151	147,000.00	147,000.00	100.00%	147,000.00	26,284.38	17.88%
Fed NSP Admin--DCD	NS1100300191	688,246.00	688,246.00	100.00%	688,246.00	487,716.23	70.86%
<b>Fed NSP Homebuy Assistance</b>	<b>NS1200000000</b>	<b>2,078,436.00</b>	<b>933,527.00</b>	<b>45.16%</b>	<b>592,403.00</b>	<b>463,060.70</b>	<b>78.17%</b>
Fed NSP Home Asst--Fin Assist	NS120010000A	1,296,818.00	704,415.00	54.32%	33,000.00	13,000.00	39.39%
Fed NSP Home Asst--Counseling	NS120020000A	44,900.00	11,900.00	26.50%	517,508.00	385,632.24	74.52%
Fed NSP Home Asst--Low Ince Set	NS120030000A	712,520.00	195,012.00	27.37%	-	-	-
Fed NSP Home Asst--Counseling Low Inc	NS120040000A	24,200.00	24,200.00	100.00%	-	-	-
<b>Fed NSP Vac Land--New Construct</b>	<b>NS130020000A</b>	<b>60,000.00</b>	<b>60,000.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Vac Land--New Construct	NS130020000A	60,000.00	60,000.00	100.00%	-	-	-
<b>Fed NSP Vac Land--Low Ince Set</b>	<b>NS130030000A</b>	<b>150,000.00</b>	<b>150,000.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Vac Land--Low Ince Set	NS130030000A	150,000.00	150,000.00	100.00%	-	-	-
<b>Fed NSP Acq/Rhb/Resal--Develop</b>	<b>NS140010000A</b>	<b>1,712,600.00</b>	<b>1,055,876.00</b>	<b>61.65%</b>	<b>656,724.00</b>	<b>259,664.14</b>	<b>39.54%</b>
Fed NSP Acq/Rhb/Resal--Develop	NS140010000A	1,712,600.00	1,055,876.00	61.65%	656,724.00	259,664.14	39.54%
<b>Fed NSP Acq/Rhb/Resal--Home Cou</b>	<b>NS140020000A</b>	<b>6,400.00</b>	<b>6,400.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Acq/Rhb/Resal--Home Cou	NS140020000A	6,400.00	6,400.00	100.00%	-	-	-
<b>Fed NSP Acq/Rhb--Develop Low Inc</b>	<b>NS140030000A</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Acq/Rhb--Develop Low Inc	NS140030000A	100,000.00	100,000.00	100.00%	-	-	-
<b>Fed NSP Acq/Rhb--Counseling Low Inc</b>	<b>NS140040000A</b>	<b>1,500.00</b>	<b>1,500.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Acq/Rhb--Counseling Low Inc	NS140040000A	1,500.00	1,500.00	100.00%	-	-	-
<b>Fed NSP Rnt Rehab--Unallocated</b>	<b>NS150010000A</b>	<b>332,013.00</b>	<b>21,454.00</b>	<b>6.36%</b>	<b>120,559.00</b>	<b>42,435.00</b>	<b>35.20%</b>
Fed NSP Rnt Rehab--Unallocated	NS150010000A	332,013.00	21,454.00	6.36%	120,559.00	42,435.00	35.20%
<b>Fed NSP Rnt Rehab--Low Ince Set</b>	<b>NS150020000A</b>	<b>661,486.00</b>	<b>310,911.00</b>	<b>47.00%</b>	<b>350,575.00</b>	<b>215,170.00</b>	<b>61.38%</b>
Fed NSP Rnt Rehab--Low Ince Set	NS150020000A	661,486.00	310,911.00	47.00%	350,575.00	215,170.00	61.38%
<b>Fed NSP Rnt Rehab Multi Fam</b>	<b>NS151010000A</b>	<b>328,125.00</b>	<b>328,125.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Rnt Rehab Multi Fam	NS151010000A	328,125.00	328,125.00	100.00%	-	-	-
<b>Fed NSP Rnt Rehab--Unallocated</b>	<b>NS1600000000</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Rnt Rehab--Unallocated	NS1600000000	500,000.00	500,000.00	100.00%	-	-	-
<b>Fed NSP Rnt Rehab--Low Ince Set</b>	<b>NS160020000A</b>	<b>500,000.00</b>	<b>500,000.00</b>	<b>100.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fed NSP Rnt Rehab--Low Ince Set	NS160020000A	500,000.00	500,000.00	100.00%	-	-	-
<b>Fed NSP Buy In Your Neighborhood</b>	<b>NS170010000A</b>	<b>1,312,500.00</b>	<b>139,372.15</b>	<b>10.62%</b>	<b>1,173,127.85</b>	<b>313,853.88</b>	<b>26.75%</b>
Fed NSP Buy In Your Neighborhood	NS170010000A	1,312,500.00	139,372.15	10.62%	1,173,127.85	313,853.88	26.75%
<b>Fed NSP Demolition--Unallocated</b>	<b>NS180010000A</b>	<b>744,953.00</b>	<b>149,036.00</b>	<b>20.01%</b>	<b>595,917.00</b>	<b>309,748.83</b>	<b>51.98%</b>
Fed NSP Demolition--Unallocated	NS180010000A	744,953.00	149,036.00	20.01%	595,917.00	309,748.83	51.98%
<b>Fed NSP Land Bank--Unallocated</b>	<b>NS190010000A</b>	<b>259,266.00</b>	<b>91,958.00</b>	<b>35.47%</b>	<b>167,308.00</b>	<b>117,095.16</b>	<b>69.99%</b>
Fed NSP Land Bank--Unallocated	NS190010000A	259,266.00	91,958.00	35.47%	167,308.00	117,095.16	69.99%
<b>Fed NSP Land Bank--Low Inc</b>	<b>NS190020000A</b>	<b>4,090,159.15</b>	<b>44,388.00</b>	<b>1.08%</b>	<b>5,126,867.85</b>	<b>2,697,718.43</b>	<b>52.62%</b>
Fed NSP Land Bank--Low Inc	NS190020000A	4,090,159.15	44,388.00	1.08%	5,126,867.85	2,697,718.43	52.62%

reg	2,716,578.15	reg or admin	1,979,821.03
Low Inc	1,373,581.00	Low Inc	717,897.40
	4,090,159.15		2,697,718.43

CHARITFIELD	DESCRIPTION	LEVEL	Award	Allocated	Budget
NS1000000000	FED Neighborhood Stabilization Program [ NSPJ	Project	9,197,465		
NS1100000000	FED NSP Administration	Segment		919,746	
NS1100100211	Fed NSP Admin-Comptroller	Phase			84,500
NS1100200151	Fed NSP Admin-CDGA	Phase			147,000
NS1100300191	Fed NSP Admin-DCD	Phase			688,246
NS1200000000	FED NSP Homebuyer Assistant	Segment		2,068,000	
NS120010000A	FED NSP Homebuyer Assist/Fin Assist-Unallocated	Phase			1,290,400
NS120020000A	FED NSP Homebuyer Assist/Counseling-Unallocated	Phase			44,900
NS120030000A	FED NSP Homebuyer Assist-25% Low Inc Set Aside-Unallocated	Phase			708,500
NS120040000A	FED NSP Homebuyer Assist/Counseling-25% Low Inc Set Aside-Unallocated	Phase			24,200
NS1300000000	FED NSP Vacant Land Initiative	Segment		260,000	
NS130010000A	FED NSP Vacant Land Initiative Re-programming-Unallocated	Phase			50,000
NS130020000A	FED NSP Vacant Land Initiative-New Construction-Unallocated	Phase			60,000
NS130030000A	FED NSP Vacant Land Initiative-25% Low Income Set Aside-Unallocated	Phase			150,000
NS1400000000	FED NSP Acquisition/Rehabilitation/Resale	Segment		1,820,500	
NS140010000A	FED NSP Acquisition/Rehabilitation/Resale-Development Subsidy-Unallocated	Phase			1,712,600
NS140020000A	FED NSP Acquisition/Rehabilitation/Resale-Homebuyer Counseling-Unallocated	Phase			6,400
NS140030000A	FED NSP Acq/Rehab/Resale-25% Low Inc,Set Aside-Unallocated	Phase			100,000
NS140040000A	FED NSP Acq/Rehab/Resale-25% Low Inc Set Aside-Counseling-Unallocated	Phase			1,500
NS1500000000	FED NSP Rental Rehab	Segment		984,375	
NS150010000A	FED NSP Rental Rehab-Unallocated	Phase			328,125
NS150020000A	FED NSP Rental Rehab-25% Low Inc Set Aside-Unallocated	Phase			656,250
NS1510000000	FED NSP Rental Rehab Multi Family Property	Segment		328,125	
NS151010000A	FED NSP Rental Rehab Multi Family Prop-Unallocated	Phase			328,125
NS1600000000	FED NSP Rental Large Projects	Segment		500,000	
NS160010000A	FED NSP Rental Large Projects-Unallocated	Phase			0
NS160020000A	FED NSP Rental Large Projects-25% Low Inc Set Aside-Unallocated	Phase			500,000
NS1610000000	FED NSP Rental Large Projects Multi Family Property	Segment		0	
NS161010000A	FED NSP Rental Large Projects Multi Family Property-Unallocated	Phase			0
NS1700000000	FED NSP Buy In Your Neighborhood	Segment		0	
NS170010000A	FED NSP Buy In Your Neighborhood-Unallocated	Phase			0
NS1800000000	FED NSP Demolition	Segment		1,312,500	
NS180010000A	FED NSP Demolition-Unallocated	Phase			1,312,500
NS1900000000	FED NSP Land Bank	Segment		1,004,219	
NS190010000A	FED NSP Land Bank-Unallocated	Phase			744,953
NS190020000A	FED NSP Land Bank-25% Low Inc Set Aside-Unallocated	Phase			259,266

\* as amended 6/15/2010.ccf#100151

9,197,465	9,197,465	9,197,465
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