Grantee: State of Delaware
Grant: B-09-DN-DE-0012
July 1, 2010 thru September 30, 2010 Performance Report
Grant Number:
B-09-DN-DE-0012

Grantee Name:
State of Delaware

Grant Amount:
$10,007,109.00

Grant Status:
Active

Obligation Date:
Award Date:
02/11/2010

Contract End Date:
Review by HUD:
02/11/2013
Reviewed and Approved

Contractor End Date:

QPR Contact:
Amber L Cooper

Disasters:

Declaration Number
NSP

Narratives

Executive Summary:
Delaware State Housing Authority (DSHA), an agency of the State of Delaware, applied for funding under the Neighborhood Stabilization Program 2 (NSP2) for the amount of $13,425,000 to assist 139 households and individuals in 27 high-need census tracts throughout the state of Delaware. On 2/11/2010, DSHA was awarded $10,007,109 to assist 101 households and individuals. DSHA was the lead applicant in the application for funding using Neighborhood Stabilization Program 2. DSHA is the state’s sole Housing Finance Agency, the Public Housing Authority for Kent and Sussex Counties, and is a Planning and Community Development Agency. DSHA will ensure that NSP2 funds are used for eligible activities which will be carried out by DSHA directly and through binding contractual relationships with units of local governments currently involved in carrying out activities under the Community Development Block Grant (CDBG) and the Neighborhood Stabilization Program 1 (NSP1). DSHA proposes to use the following eligible activities to stabilize neighborhoods in Delaware most negatively impacted by increased foreclosures: a) Establish financing mechanisms for the purchase and redevelopment of foreclosed-upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves and shared-equity loans for low- and moderate-income homebuyers; and b) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed-upon, in order to sell, rent or redevelop such homes and properties. All of the funds made available to Delaware under NSP2 shall be used to serve individuals and families whose income does not exceed 120 percent of Area Median Income (AMI). At least 25 percent of the funds appropriated or otherwise made available shall be used for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of AMI. On July 2, 2009, DSHA published advertisements in the Delaware State News and the Wilmington News Journal announcing that DSHA was applying to HUD for funding under the NSP2. The announcement indicated the purpose of the grant, the target geographies and the activities to be carried out by the grant as well as the DSHA website address for the NSP2, and information about the public comment period. The website address is www.destatehousing.com/services/dv_nsp.shtml. As of July 2, 2009, it provided information about the NSP2 grant application, including a detailed spreadsheet identifying targeted census tracts in each county along with the number of houses and associated budget for those activities. As sections of the application were approved for submission, they were posted to the website between July 2, 2009 and July 10, 2009. In addition, on July 1, 2009, DSHA sent out a mass e-mail to our mailing list of approximately 3,000 people announcing the comment period and providing a summary of our expected application and the website address.

Target Geography:
In Delaware, there are three key foreclosure trends: 1) foreclosures in urban areas, often in already-struggling neighborhoods, largely within the City of Wilmington; 2) foreclosures in older inner-ring suburbs also already experiencing decline and an aging housing stock; and 3) foreclosures, sharp price declines and vacancies in new suburban communities that developed rapidly in the past decade. In these areas, households stretched their budgets beyond their limits to afford larger, traditional, single-family homes, often also increasing their commuting costs as well. This inflated demand also led to overbuilding and now a subsequent oversupply of moderate- to high-priced homes in areas where the local economy offers few jobs capable of truly supporting these housing costs. Southern New Castle County, northern and central Kent County, and coastal Sussex County all have large inventories of recently-built, high-cost homes. As across the country, many homeowners in Delaware used the equity in their homes to support other household spending or reduce other debt. As Delaware home values increased &dash almost 65 percent from 2002 &dash 2007 - those years felt like a gold rush for homeowners. However, as prices have fallen and job losses mounted, many homeowners have been left with no other resources and often with negative or near-negative equity. Owners who were cost-burdened several years ago are even more cost-burdened now. In 2000, there were 1,434 foreclosure filings in the state of Delaware. By 2005, this had increased to 2,121 and by 2008, to 4,488 - an increase of over 200 percent over nine years. The number of foreclosures begun in the first quarter of 2009 is close to the total number of filings in the year 2000. According to the Mortgage Bankers Association National Delinquency Survey, as of the first quarter of 2009, in Delaware: 7.24 percent of all loans were 30 days or more past due (12,132 loans); 1,374 foreclosures were started during the quarter; 5.01
percent of loans were seriously delinquent -&ndash either in foreclosure or 90 or more days past due (8,395 loans); and, 22.5 percent of subprime loans were 30 or more days past due (3,717 loans) and 19.90 percent were seriously delinquent (3,288 loans). From the first quarter of 2008 to the first Quarter of 2009, the number of loans seriously delinquent increased 54 percent - from 6,450 to 8,395. Disconcertingly, the number of prime loans that were seriously delinquent increased 45 percent - from 2,611 to 3,791. First American CoreLogic&rsquo$ December 2008 Negative Equity Report, estimated to cover 85 percent of the mortgages in the United States, reported that 40,317 mortgages in Delaware had negative equity or near-negative (less than 5 percent) equity. These 40,000 mortgages account for 27 percent of all mortgages in the state, and, compared to 2007 American Community Survey estimates, 17 percent of all homeowners in the state.

National home prices indexes show unprecedented price increases in Delaware in the early 2000s and declines in recent years. According to the Federal Housing Finance Agency&rsquo$ House Price Index Reports, in the five-year period of 2002 &ndash 2007, home prices in Delaware increased 67.94 percent, or over 13 percent annually. For several years, Delaware consistently ranked in the top 15 states in home price appreciation, while from the index shows Delaware home prices declining 3.30 percent. Local data from real estate listings and sales in many cases shows even sharper price declines.

Another index, First American CoreLogic&rsquo$ Loan Performance Reports, shows a 3.87 percent decline in home prices in Delaware from March 2008 to March 2009, a steady increase in the 12 month change since it turned negative in April 2008. While the decline in home prices has been slower to hit Delaware, recent trends as outlined above show conditions worsening as delinquencies and foreclosures continue to increase and home prices decline.

While job growth in Delaware was strong in the mid-late 1990s, it was negative from 2001 to 2003, modest from 2004 to 2006, and negative again since 2007. Job losses and unemployment have increased significantly in the past year. From May 2008 to May 2009, the Delaware Department of Labor reports that the state lost 18,900 jobs, a loss of 4.4 percent. Industries losing the most jobs have included higher-wage industries such as Professional and Business Services and Manufacturing, which together lost 11,100 jobs. In May 2009, Delaware&rsquo$s seasonally-adjusted unemployment rate was 8.1 percent, up from 5.5 percent in May 2008.

Even before the recession, employment growth in Delaware was projected to slow. Projections from the Delaware Department of Labor&rsquo$s Office of Occupational and Labor Market Information estimated annual job growth of 1.0 percent from 2006 to 2016, half the rate of growth Delaware experienced from 1986 to 1996 and down again from 1.5 percent from 1996 to 2006. Even these projections have proved optimistic and challenging to meet as unemployment has increased and job growth slowed.

In addition, Delaware&rsquo$s higher-paying industries are struggling. Apart from the Health Care industry, with wages close to the state average, the state is experiencing highest job growth in lower-paying industries with fewer advancement opportunities. Growth in the Finance and Insurance sector, a strong high-wage industry in Delaware, particularly New Castle County in recent decades, has slowed significantly and indeed the industry may now be shedding jobs. Of the top ten private industries projected to add the most jobs from 2006 to 2016, only two pay wages above the state average, and Delaware&rsquo$s two highest-paying industries were projected to have sluggish growth at best.

For example, the &ldquoRetail Trade&rdquo and &ldquoAdministrative and Support and Waste Management and Remediation Services&rdquo, with 2008 average wages of $25,479 and $31,748 respectively, have consistently been two of Delaware&rsquo$s fastest-growing industries.

New development &ndash much of it larger, single-family homes &ndash pushed real estate prices up in Kent County in the past decade. Much of this development has been centered in northern and central Kent County. As demand for this large supply of new homes declined, so have prices: from the first quarter of 2008 to first quarter 2009, home prices as according to the County Association of Realtors MLS systems, fell 8 percent in the county.

Unemployment in Kent County in May 2009 was 7.8 percent, up from 3.9 percent in May 2008. Foreclosures in Kent County have increased from 72 in 2000 to 785 in 2008 &ndash an almost 1,000 percent increase. The County Association of Realtors MLS lists 373 currently available foreclosed homes in Kent County.

With a new highway making commuting to New Castle County and other points north much easier combined with low land prices, northern Kent County became a popular location for households looking for larger, newer, and more affordable homes and willing to commute longer distances to get to them. Northern census tracts around Smyrna (402.02) have more &dquobedroom communities&dquo for commuting households; the two more southern census tracts (418.01 and 405) adjoin the City of Dover area and include some of that city&rsquo$s suburban growth. As in other areas in Delaware where new construction was extensive, these areas also saw widespread value of subprime and adjustable-rate loans. These ZIP codes (19901, 19904 and 19977) have an estimated 11 &ndash 18 months of available foreclosures. Some ZIP codes covering this census tract (422.02) also have a high percentage of subprime loans. Prices have fallen steeply in some ZIP codes.

Like northern Kent County, the Magnolia area in central Kent County has also experienced rapid development in the past decade, and many new developments are struggling with vacancies as demand for this type and price range of housing has fallen. As a percentage of total units, ZIP code 19904 census tract (422.02) also have a high percentage of subprime loans. Prices have fallen steeply in some ZIP codes.

The 19946 ZIP code saw a decline of 16 percent in median home prices from 2006 to 2008, and an additional 17 percent from first quarter 2008 to first quarter 2009. Both the 19946 and 19962 ZIP codes have very high available inventories compared to recent market absorption: over two years &ndash much of current for-sale inventory.

p>&lt;New Castle County is Delaware&rsquo$s most urban county, densely developed and populated. Many households commute in and out of New Castle County to neighboring counties in Maryland, New Jersey and Pennsylvania. Household incomes and home prices have typically been higher in New Castle County, especially as higher development and land costs increase the cost of new housing. New Castle County is home to the state&rsquo$s most diverse array of communities and housing types, ranging from urban to dense inner-ring suburbs in need of rehabilitation to the rural areas and small towns in Southern New Castle County, booming with development in recent years, flush with vacant, new-for-sale stock.

Overall, the housing market in the County has slowed, with 8 months of inventory currently on the market and an average days-on-market of 87 in the 1st Quarter of 2009. Home prices have fallen five percent in the past year after holding fairly steady until 2008. The number of foreclosures in the County has more than doubled from 2000 to 2008, from 1,099 to 2,725. Foreclosures flood this market as the number of annual foreclosures (2,725) is close to the number of homes currently available for sale (3,257) &ndash a major inventory of foreclosed homes for the market to work through. A search of RealtyTrac in late June 2009 showed a current inventory of over 900 available foreclosed homes. New Castle County has also faced some of the most intense job losses in the past year as several manufacturing plants have closed or announced upcoming closure, leaving thousands of workers unemployed, often having lost well-paying jobs. Some communities also report issues preceding the current subprime and foreclosure crises. A spring 2009 survey from a local community development organization in the Bear/Glasgow area, for example, reported that 10 percent of homes in the area are presently vacant. In some areas and particular developments, the housing stock is in poor to fair condition and many homes are investor-owned, not well maintained, and overcrowding is also a concern. In some other less challenged but still struggling neighborhoods, bank
ownerhpese, increasing rental properties, and poor maintenance are growing problems that threaten neighborhood stability, where communities are experiencing increased foreclosures, code enforcement calls, and crime.

The New Castle area includes some older suburban developments as well as areas with significant new development. In the older areas, NSP2 plans to target the neighborhood of Wilton, a Planned Unit Development which includes apartments, condominiums, and townhomes accompanied by associated retail. As in many older suburbs, design issues and changing demand for larger homes with more bathrooms and other modern amenities have made the housing less desirable. Many homes are in fair to poor condition in this working-class area. The New Castle area also includes the Route 13/40 corridor, which has seen much new residential development in recent years. Subprime and adjustable rate mortgages were commonplace in this area, particularly with newer homes, leading to high rates of foreclosure in some new neighborhoods. First American Loan Performance data from early 2008 indicates that approximately 11 percent of units in the 19720 ZIP code had subprime loans, and this ZIP code has consistently been home to the most foreclosures in the state (486 in 2008). In this area, incomes are more moderate, but households are still struggling, debt-burdened, and home prices are falling.

Program Approach:
As in Delaware’s NSP1, for NSP2 DSHA proposes to work with local government sub-recipients, who will carry out direct program implementation in collaboration with nonprofit partners. This structure takes advantage of existing capacity, planning, administration and monitoring at the state level; detailed neighborhood knowledge, development capacity, and existing nonprofit partnerships at the local level. Some of the target census tracts are in ZIP codes targeted in Delaware’s NSP1, including 19904, 19977, 19801, 19802, 19805, 19701, 19702, and 19720, covering areas in northern Kent County, Wilmington, and the Bear/Newark and New Castle areas in New Castle County. In these areas, NSP2 activities will build upon and contribute to the success of NSP1, allowing for increased volume in some particularly troubled areas and new activities in others. In many of the state’s most challenged areas, the condition of housing is of great concern and a barrier to neighborhood stabilization. In these areas where NSP1 is actively acquiring and rehabilitating properties, NSP2 will further support neighborhood stabilization with rehabilitation, helping build a critical mass of rehabilitated, owner-occupied properties which would otherwise be contributing to continued neighborhood decline by their poor condition or vacancy. Delaware’s proposed NSP2 activities will result in stabilization of the housing markets in the proposed areas by: Reducing the supply of foreclosed and abandoned homes and taking them off the market and reducing the inventory that pushes down prices and creates vacancies, contributing to neighborhood decline; Increasing demand for homes through the availability of financing mechanisms to assist low- and moderate-income buyers to afford homes; Helping struggling neighborhoods to maintain or improve their homeownership rates, improve the condition and quality of neighborhood; and reducing vacancies; and Providing a stock of permanently affordable homes through use of the Diamond State Community Land Trust. Some of these benefits will take effect as soon as activities can begin. The reduction in supply will occur as soon as local government sub-recipients and their partners can begin to identify and acquire homes in the target areas. As the program’s financing mechanisms are marketed to and used by potential buyers, the increase in demand will be reflected in key real estate statistics like average days on market, sales volume, and home prices. By working with homeownership counseling agencies, we hope to identify buyers for financing mechanisms quickly from the pool of households already actively engaged in homeownership counseling, allowing this aspect of the program to kick off quickly as well and contribute to market stabilization.

Long-term economic benefits include: increasing homeownership rates in struggling neighborhoods, creating wealth-building opportunities for low- and moderate-income households through homeownership, and much-needed investment in Delaware’s older communities and
housing stock, ideally acting as a catalyst for further private investment in target neighborhoods. DSHA expects to use most of the NSP2 funds to assist credit-worthy households with incomes at or below 120 percent of AMI to become homeowners. We expect our financing of soft second mortgages to be at 0 percent and forgivable as described in section (d) below which strategies. Most of the people assisted in the 50 percent of AMI and below income range will be people who are receiving assistance from a nonprofit organization that has identified affordable housing as a barrier for their target population. These homes will be managed by nonprofit organizations as rentals for low-income people.

DSHA intends to make extensive use of the community land trust model using the Diamond State Community Land Trust, a statewide nonprofit that develops and manages community land trust homes. The land trust model will be an integral part of our program providing permanently affordable homes throughout the State. In addition, DSHA is encouraging jurisdictions to explore the possibility of displacement prevention with NSP2 funds, whereby nonprofit organizations would purchase real estate owned properties from the banks and manage them as rentals or community land trust homes after a coordinated foreclosure process where the homeowner lost ownership but not occupancy of the home.

DSHA proposes to use only two activities in our NSP2 proposal financing mechanisms and purchase/rehabilitation. Only the Wilmington census tracts, and possibly one New Castle tract identified would have needed for demolition and other funds are available to address those needs. In Sussex and Kent Counties and much of New Castle County, the newer housing stock makes financing mechanisms appropriate for homes in move-in condition and purchase/rehabilitation appropriate for homes in need of repair. However, few dollars have been available in Delaware to provide deep subsidy to make homeownership a possibility for many low- and middle-income households. NSP2 will provide homeownership opportunities for people such as retail and customer service workers, as well as teachers and police officers. These service jobs make up an increasingly large percentage of Delaware’s workforce, but these workers often do not have the income to allow them to purchase homes at market rates without excessive cost burden. NSP2 will provide opportunities for these people to purchase homes in neighborhoods identified as at risk. Sometimes the risk is obvious, there are vacant housing units, the area is blighted and property values are low. Other times the neighborhood may not appear distressed, but there are increasing numbers of investor-owned rentals and the homeownership rate is in danger of slipping. Financing and purchase rehabilitation will allow us to work in a variety of situations to lessen the impact of foreclosures on the neighborhoods in which foreclosures are most common.

All NSP2 funds will be used to benefit persons and households whose incomes do not exceed 120 percent of AMI. A minimum of 25 percent of any awarded funds will be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties which will be used to house individuals or families whose incomes do not exceed 50 percent of AMI. DSHA and its local government partners will meet these requirements by: Targeting some homeownership to households below 50 percent of AMI, via partnerships with: The Diamond State Community Land Trust (CLT). The land trust model provides additional affordability and support for homeowners, which is a particular concern when targeting homeownership to households below 50 percent of AMI. Habitat for Humanity of New Castle County to complete purchase/rehabilitation of homes in the city. All of Habitat for Humanity of New Castle County’s homes are sold to households with incomes below 60 percent of AMI, with most below 50 percent; Partnerships with local nonprofit service providers to provide rental housing for populations with special needs. Homes will be acquired, rehabilitated, and turned over to the nonprofit for use as rental housing for individuals who are homeless or with disabilities as permanent supportive housing. Delaware has a strong community of several highly experienced nonprofit providers of these services. These strategies are both also in use in Delaware’s NSP1, so structures and partnerships are already in place for these activities.

In its NSP1, DSHA has strongly encouraged local jurisdictions to also ensure that homes assisted through the program remain affordable for the longest feasible period, with the minimum restrictions of the HOME program as a threshold. All jurisdictions have tailored their continued affordability restrictions to meet their unique housing markets and neighborhoods, within the HOME minimum restrictions. DSHA and all of the participating jurisdictions have experience in the use and administration of such restrictions through HOME, local funding sources, and NSP1. The main mechanisms used in Delaware’s NSP1 are: Soft second mortgages requiring prorated capture of NSP1 subsidies at resale, or transfer to a new qualified buyer; Permanent affordability through the community land trust model, working with Delaware’s statewide community land trust, the Diamond State CLT; and Transfer of rehabilitated units to local nonprofit service providers for permanent use as supportive housing for individuals who are homeless or who have disabilities. Permanently affordable owner-occupied homes under the CLT model remain affordable from generation to generation, dramatically increasing the benefit of public investments like NSP2, HOME, and CDBG. Over the 99-year time span of a CLT ground lease, the CLT model saves over $500,000 in demand for continuing investment of public funds for a single affordable home. The CLT model produces over seven times the amount of affordable housing than traditional short-term affordable housing methods given the same public investment. All three of these mechanisms will also be used in Delaware’s NSP2. To promote continuity with the existing NSP1 neighborhood stabilization activities and administration, Delaware’s NSP2 will again use the HOME Program standards as the minimum requirements for continued affordability and encourage jurisdictions to tailor restrictions to their markets and target neighborhoods. Recognizing that in many cases, purchase/rehab activities in NSP2 will require high levels of subsidy, for units with subsidies above $75,000, longer-term, less lenient recapture provisions will be promoted. For example, instead of forgiving 100 percent of the subsidy amount over 15 years, the program may forgive only 50 percent of the subsidy amount over a longer period of time. Particularly in the coastal Sussex resort areas and other higher-cost areas (such as newer subdivisions in Kent County and some areas of New Castle County) where homes are more likely to subsequently be attractive to higher-income households and affordability lost, long-term restrictions that promote resale to qualified buyers will be preferred.

At least 25 percent of the funds will be used for producing units that will be affordable to people at 50 percent of AMI and under. These units will require the highest levels of subsidy, but in all cases retain permanent affordability. DSHA and its sub-recipients intend to use a combination of land trust and rental opportunities to make homes affordable to people with these very low incomes.

**Consortium Members:**

Delaware’s NSP2 does not have a consortium.

**How to Get Additional Information:**

<!--[end if]-->
During this quarter, the Delaware State Housing Authority notified HUD that their leveraging with the New Market Tax Credits fell through. DSHA was notified that a Substantial Amendment had to be submitted to HUD to amend this information. In September, DSHA submitted the Substantial Amendment to change the leveraging section, add some activities, and exchange a couple census tracts.
Activities

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**Activity Category:**
Homeownership Assistance to low- and moderate-income

**Project Number:**
1

**Projected Start Date:**
08/31/2010

**Benefit Type:**
Direct Benefit (Households)

**National Objective:**
NSP Only - LMMI

**Activity Title:**
Kent Financing Mech

**Activity Status:**
Planned

**Project Title:**
Financing Mechanisms

**Projected End Date:**
02/11/2013

**Completed Activity Actual End Date:**
To Date

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**Activity Description:**
This activity will be used to provide financing mechanisms for the purchase and rehabilitation of foreclosed upon homes in Kent County’s NSP2 to be sold to moderate- and middle-income households.

**Location Description:**
This activity will focus on financing mechanisms for the purchase and rehabilitation of foreclosed upon homes of Kent County’s NSP2 in census tracts 402.2, 405, 418.01, and 422.02.

**Activity Progress Narrative:**
During this quarter, DSHA submitted a substantial amendment. The substantial amendment did not effect Kent County, but DSHA could not send out Grant Agreements until HUD approved the amendment. With the changes in the amendment (losing the New Market Tax Credits), it was possible that DSHA's application would be re-ranked.

**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

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### Activity Title: Kent Purchase & Rehab

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<td>02/11/2013</td>
<td>Direct Benefit (Households)</td>
<td>NSP Only - LMMI</td>
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### Activity Status:
- Planned

### Activity Description:
This activity will be to purchase and rehabilitate foreclosed homes for resale and rent by low-, moderate-, and middle-income households in Kent County's NSP2.

### Location Description:
Kent County's Use B, excluding the low-income set-aside will focus on census tracts 402.02, 405, 418.01, and 422.02.

### Activity Progress Narrative:
During this quarter, DSHA submitted a substantial amendment. The substantial amendment did not effect Kent County, but DSHA could not send out Grant Agreements until HUD approved the amendment. With the changes in the amendment (losing the New Market Tax Credits), it was possible that DSHA's application would be re-ranked.

### Overall Budget from All Sources:

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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

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Grantee Activity Number: NSP2 #01-03
Activity Title: Kent LH25

Activity Category: Rehabilitation/reconstruction of residential structures

Project Number: 2

Projected Start Date: 08/31/2010

Benefit Type: Direct Benefit (Households)

National Objective: NSP Only - LH - 25% Set-Aside

Activity Status: Planned

Project Title: Purchase & Rehab

Projected End Date: 02/11/2013

Completed Activity Actual End Date: 08/31/2010

Responsibility Organization: Kent County Levy Court

Overall

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</tr>
<tr>
<td>Program Funds Expended</td>
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</tr>
<tr>
<td></td>
<td>Kent County Levy Court</td>
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<tr>
<td>Match Contributed</td>
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<tr>
<td>Program Income Received</td>
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<tr>
<td>Program Income Drawdown</td>
<td>$0.00</td>
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</table>

Activity Description:
The Kent County NSP2 low-income set-aside will be used for the purchase and rehabilitation of foreclosed homes for the resale and rent by households under 50% AMI.

Location Description:
The Kent County NSP2 low-income set-aside activity will focus on census tracts 402.02, 405, 418.01, and 422.02.

Activity Progress Narrative:
During this quarter, DSHA submitted a substantial amendment. The substantial amendment did not effect Kent County, but DSHA could not send out Grant Agreements until HUD approved the amendment. With the changes in the amendment (losing the New Market Tax Credits), it was possible that DSHA's application would be re-ranked.

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

<table>
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<tr>
<th>Other Funding Sources</th>
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**Grantee Activity Number:** NSP2 #01-04  
**Activity Title:** Kent Admin

**Activity Category:** Administration  
**Project Number:** 3  
**Projected Start Date:** 08/31/2010  
**Benefit Type:** NSP Only - LMMI  
**National Objective:** N/A  
**Program Income Drawdown**  
**Activity Status:** Planned  
**Project Title:** Administration  
**Projected End Date:** 02/11/2013  
**Completed Activity Actual End Date:** 08/31/2010  
**Responsible Organization:** Kent County Levy Court

<table>
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<tr>
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<td>$0.00</td>
</tr>
<tr>
<td>Program Funds Expended</td>
<td>$0.00</td>
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</tr>
<tr>
<td>Kent County Levy Court</td>
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<td>Match Contributed</td>
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<tr>
<td>Program Income Received</td>
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</tr>
<tr>
<td>Program Income Drawdown</td>
<td>$0.00</td>
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**Activity Description:**
This activity will be to administer Kent County’s NSP2, which will provide finance mechanisms for the purchase of foreclosed homes, and will purchase and rehabilitate foreclosed homes for resale and rent by low-, moderate-, and middle-income households.

**Location Description:**
Kent County’s NSP2 administrative activity will focus on census tracts 402.02, 405, 418.01, and 422.02.

**Activity Progress Narrative:**
During this quarter, DSHA submitted a substantial amendment. The substantial amendment did not effect Kent County, but DSHA could not send out Grant Agreements until HUD approved the amendment. With the changes in the amendment (losing the New Market Tax Credits), it was possible that DSHA’s application would be re-ranked.

**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

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---
Grantee Activity Number: NSP2 #02-01
Activity Title: NCC Financing Mech

Activity Category: Homeownership Assistance to low- and moderate-income
Project Number: 1
Projected Start Date: 08/31/2010
Benefit Type: Direct Benefit (Households)
National Objective: NSP Only - LMMI

Activity Description:
This activity will be used to provide financing mechanisms for the purchase and rehabilitation of foreclosed upon homes in New Castle County's NSP2 to be sold to moderate- and middle-income households.

Location Description:
New Castle County's NSP2 Use A activity will focus on census tracts 148.06, 147.05, 148.08, 149.02, 149.03, 139.02, 163.03, 149.05, 107, and 152.

Activity Progress Narrative:
The New Market Tax Credits for New Castle County's leveraging fell through. DSHA submitted a substantial amendment to change this part of the program.

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

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---
Grantee Activity Number: NSP2 #02-02
Activity Title: NCC Purchase & Rehab

Activity Category: Rehabilitation/reconstruction of residential structures

Project Number: 2

Projected Start Date: 08/31/2010

Benefit Type: Direct Benefit (Households)

National Objective: NSP Only - LMMI

Overall
Total Projected Budget from All Sources
N/A $2,613,209.00
Total CDBG Program Funds Budgeted
N/A $2,613,209.00
Program Funds Drawdown
0.00 0.00
Program Funds Obligated
0.00 0.00
Program Funds Expended
0.00 0.00
New Castle County
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 Status: Planned
Project Title: Purchase & Rehab
Projected End Date: 02/11/2013
Completed Activity Actual End Date:

To Date
Jul 1 thru Sep 30, 2010

Activity Description:
This activity will fund the purchase and rehabilitate foreclosed homes for resale and rent by low-, moderate-, and middle-income households for New Castle County's NSP2.

Location Description:
New Castle County's NSP2 Use B activity will focus on census tracts 148.06, 147.05, 148.08, 149.02, 149.03, 139.02, 163.03, 149.05, 107, and 152.

Activity Progress Narrative:
The New Market Tax Credits for New Castle County's leveraging fell through. DSHA submitted a substantial amendment to change this part of the program.

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

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</table>
Grantee Activity Number: NSP2 #02-03
Activity Title: NCC LH25

Activity Category: Rehabilitation/reconstruction of residential structures
Project Number: 2
Projected Start Date: 08/31/2010
Benefit Type: Direct Benefit (Households)
National Objective: NSP Only - LH - 25% Set-Aside

Overall
Total Projected Budget from All Sources N/A $1,088,000.00
Total CDBG Program Funds Budgeted N/A $1,088,000.00
Program Funds Drawdown $0.00 $0.00
Program Funds Obligated $0.00 $0.00
Program Funds Expended
    New Castle County $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 Status: Planned
Project Title: Purchase & Rehab
Projected End Date: 02/11/2013
Completed Activity Actual End Date: To Date

Activity Description:
This activity will be used for the purchase and rehabilitation of foreclosed homes for resale and rent to households under 50% AMI.

Location Description:
New Castle County's NSP2 low-income set-aside activity will focus on census tracts 148.06, 147.05, 148.08, 149.02, 149.03, 139.02, 163.03, 149.05, 107, and 152.

Activity Progress Narrative:
The New Market Tax Credits for New Castle County's leveraging fell through. DSHA submitted a substantial amendment to change this part of the program.

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

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Grantee Activity Number: NSP2 #02-04
Activity Title: NCC Admin

Activity Category: Administration
Project Number: 3
Projected Start Date: 08/31/2010
Benefit Type: NSP Only - LMMI
National Objective: New Castle County

Overall
- Total Projected Budget from All Sources: N/A $207,236.00
- Total CDBG Program Funds Budgeted: N/A $207,236.00
- Program Funds Drawdown: $0.00 $0.00
- Program Funds Obligated: $0.00 $0.00
- Program Funds Expended: $0.00 $0.00
  - New Castle County: $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 Status: Planned
Project Title: Administration
Projected End Date: 02/11/2013
Completed Activity Actual End Date: 08/31/2010

Activity Description:
This activity will be to administer New Castle Count's NSP2, which will provide finance mechanism for the purchase of foreclosed homes, and will purchase and rehabilitate foreclosed homes for resale and rent by low-, moderate-, and middle-income households.

Location Description:
New Castle County's NSP2 administrative activity will focus on census tracts 148.06, 147.05, 148.08, 149.02, 149.03, 139.02, 163.03, 149.05, 107, and 152.

Activity Progress Narrative:
The New Market Tax Credits for New Castle County's leveraging fell through. DSHA submitted a substantial amendment to change this part of the program.

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

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<tbody>
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<tr>
<td>Total Other Funding Sources</td>
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</table>
Grantee Activity Number: NSP2 #03-01
Activity Title: Sussex Finance Mech

Activity Category: Homeownership Assistance to low- and moderate-income
Project Number: 1
Projected Start Date: 08/31/2010
Benefit Type: Direct Benefit (Households)
National Objective: NSP Only - LMMI

Activity Status: Planned
Project Title: Financing Mechanisms
Projected End Date: 02/11/2013
Completed Activity Actual End Date:

Responsible Organization: Sussex County

Overall

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<th>Description</th>
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<th>To Date</th>
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<td>Program Income Received</td>
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<tr>
<td>Program Income Drawdown</td>
<td>$0.00</td>
<td>$0.00</td>
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</table>

Activity Description:
The Sussex County NSP2 will establish finance mechanism for low-, moderate-, and middle-income households to purchase foreclosed upon homes.

Location Description:
The Sussex County NSP2 will focus on census tracts 509, 512, and 511.

Activity Progress Narrative:
DSHA submitted a substantial amendment that included the exchange of two census tracts for Sussex County.

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

<table>
<thead>
<tr>
<th>Other Funding Sources</th>
<th>Amount</th>
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</thead>
<tbody>
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</tr>
<tr>
<td>Total Other Funding Sources</td>
<td></td>
</tr>
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</table>
Grantee Activity Number: NSP2 #03-02
Activity Title: Sussex LH25

Activity Category: Homeownership Assistance to low- and moderate-income
Project Number: 1
Projected Start Date: 08/31/2010
Benefit Type: Direct Benefit (Households)
National Objective: NSP Only - LH - 25% Set-Aside

Activitiy Category: Homeownership Assistance to low- and moderate-income
Activity Status: Planned
Project Title: Financing Mechanisms
Projected End Date: 02/11/2013
Completed Activity Actual End Date: 08/31/2010
Responsible Organization: Sussex County

Overall

<table>
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<th>Description</th>
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<td>$0.00</td>
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<tr>
<td>Sussex County</td>
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<td>$0.00</td>
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<td>Match Contributed</td>
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<tr>
<td>Program Income Received</td>
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<td>$0.00</td>
</tr>
<tr>
<td>Program Income Drawdown</td>
<td>$0.00</td>
<td>$0.00</td>
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Activity Description:
The Sussex County NSP2 will establish financing mechanisms for households under 50% area median income to purchase foreclosed upon homes.

Location Description:
The Sussex County NSP2 will focus on census tracts 509, 512, and 511.

Activity Progress Narrative:
DSHA submitted a substantial amendment that included the exchange of two census tracts for Sussex County.

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

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<td>NSP #03-03</td>
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<td>Activity Title:</td>
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**Activity Category:** Administration  
**Project Number:** 3  
**Projected Start Date:** 08/31/2010  
**Benefit Type:** NSP Only - LMMI  
**Total Projected Budget from All Sources:** $44,724.00  
**Match Contributed:** N/A  
**Total CDBG Program Funds Budgeted:** $44,724.00  
**Program Funds Drawdown:** $0.00  
**Program Funds Obligated:** $0.00  
**Program Funds Expended:** $0.00  
**Sussex County:** $0.00  
**Match Contributed:** $0.00  
**Program Income Received:** $0.00  
**Program Income Drawdown:** $0.00  
**Completed Activity Actual End Date:** 02/11/2013  
**Responsible Organization:** Sussex County

**Activity Description:**
This activity will be to administer Sussex County's NSP2, which will provide financing mechanisms for the purchase of foreclosed homes for resale and rent to by low-, moderate-, and middle-income households and help stabilize neighborhoods.

**Location Description:**
The Sussex County NSP2 Administration activity will focus on census tracks 509, 512, and 511.

**Activity Progress Narrative:**
DSHA submitted a substantial amendment that included the exchange of two census tracts for Sussex County.

**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

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**Grantee Activity Number:** NSP2 #04-01  
**Activity Title:** Wilmington Finance Mech

<table>
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<tr>
<td>Homeownership Assistance to low- and moderate-income</td>
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<td>Direct Benefit (Households)</td>
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<thead>
<tr>
<th>National Objective:</th>
<th>Responsible Organization:</th>
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<tr>
<td>NSP Only - LMMI</td>
<td>City of Wilmington</td>
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### Overall

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<tr>
<td>Program Income Drawdown</td>
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<td>$0.00</td>
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### Activity Description:

This activity will be for the City of Wilmington's NSP2, to provide finance mechanisms for the purchase of foreclosed homes for resale by low-, moderate-, and middle-income households.

### Location Description:

The City of Wilmington's NSP2 will focus on census tracts 16, 9, 6.02, 8, 5, 3, 7, 21, 22, and 23.

### Activity Progress Narrative:

During this quarter, DSHA submitted a substantial amendment to make up for the leveraging for New Castle County that fell through. Although this did not effect the City of Wilmington, DSHA could not send out Grant Agreements.

### 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

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### Grantee Activity Number: NSP2 #04-02
### Activity Title: Wilmington Purchase & Rehab

#### Activity Category:
Rehabilitation/reconstruction of residential structures

#### Project Number:
2

#### Projected Start Date:
08/31/2010

#### Benefit Type:
Direct Benefit (Households)

#### National Objective:
NSP Only - LMMI

#### Activity Status:
Planned

#### Project Title:
Purchase & Rehab

#### Projected End Date:
02/11/2013

#### Completed Activity Actual End Date:
08/31/2010

#### Responsible Organization:
City of Wilmington

#### Overall Budget and Expenditure

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<tr>
<td>City of Wilmington</td>
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<tr>
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<td>Program Income Received</td>
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<tr>
<td>Program Income Drawdown</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Activity Description:

This activity will be for the City of Wilmington’s NSP2 to purchase and rehabilitate foreclosed homes for resale and rent by low-, moderate-, and middle-income households.

#### Location Description:

The City of Wilmington's NSP2 purchase and rehab activity will focus on census tracts 16, 9, 6.02, 8, 5, 3, 7, 21, 22, and 23.

#### Activity Progress Narrative:

During this quarter, DSHA submitted a substantial amendment to make up for the leveraging for New Castle County that fell through. Although this did not effect the City of Wilmington, DSHA could not send out Grant Agreements.

#### 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

<table>
<thead>
<tr>
<th>Other Funding Sources</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>No Other Funding Sources Found</td>
<td></td>
</tr>
<tr>
<td>Total Other Funding Sources</td>
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</tbody>
</table>
Grantee Activity Number: NSP2 #04-03  
Activity Title: Wilmington LH25

<table>
<thead>
<tr>
<th>Activity Category</th>
<th>Activity Status</th>
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<tbody>
<tr>
<td>Rehabilitation/reconstruction of residential structures</td>
<td>Planned</td>
</tr>
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<table>
<thead>
<tr>
<th>Project Number:</th>
<th>Project Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Purchase &amp; Rehab</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Projected Start Date:</th>
<th>Projected End Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/31/2010</td>
<td>02/11/2013</td>
</tr>
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<table>
<thead>
<tr>
<th>Benefit Type:</th>
<th>Responsible Organization:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Benefit (Households)</td>
<td>City of Wilmington</td>
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<table>
<thead>
<tr>
<th>National Objective:</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSP Only - LH - 25% Set-Aside</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall</th>
<th>Jul 1 thru Sep 30, 2010</th>
<th>To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Projected Budget from All Sources</td>
<td>N/A</td>
<td>$875,000.00</td>
</tr>
<tr>
<td>Total CDBG Program Funds Budgeted</td>
<td>N/A</td>
<td>$875,000.00</td>
</tr>
<tr>
<td>Program Funds Drawdown</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Funds Obligated</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Funds Expended</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>City of Wilmington</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Match Contributed</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Income Received</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Income Drawdown</td>
<td>$0.00</td>
<td>$0.00</td>
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</table>

**Activity Description:**
This activity will be for the City of Wilmington’s NSP2 to purchase and rehabilitate foreclosed homes for resale and rent by households under 50% AMI.

**Location Description:**
The City of Wilmington’s NSP2 activity will focus on census tracts 16, 9, 6.02, 8, 5, 3, 7, 21, 22, and 23.

**Activity Progress Narrative:**
During this quarter, DSHA submitted a substantial amendment to make up for the leveraging for New Castle County that fell through. Although this did not effect the City of Wilmington, DSHA could not send out Grant Agreements.

**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

<table>
<thead>
<tr>
<th>Other Funding Sources</th>
<th>Amount</th>
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<tbody>
<tr>
<td>No Other Funding Sources Found</td>
<td></td>
</tr>
<tr>
<td>Total Other Funding Sources</td>
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</tbody>
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---
### Grantee Activity Number: NSP2 #04-04

**Activity Title:** Wilmington Admin

<table>
<thead>
<tr>
<th>Activity Category: Administration</th>
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<tbody>
<tr>
<td><strong>Project Number:</strong> 3</td>
<td><strong>Project Title:</strong> Administration</td>
</tr>
<tr>
<td><strong>Projected Start Date:</strong> 08/31/2010</td>
<td><strong>Projected End Date:</strong> 02/11/2013</td>
</tr>
<tr>
<td><strong>Benefit Type:</strong> N/A</td>
<td><strong>Completed Activity Actual End Date:</strong></td>
</tr>
<tr>
<td><strong>National Objective:</strong> NSP Only - LMMI</td>
<td><strong>Responsible Organization:</strong> City of Wilmington</td>
</tr>
</tbody>
</table>

#### Total Projected Budget from All Sources

<table>
<thead>
<tr>
<th>Overall</th>
<th>Jul 1 thru Sep 30, 2010</th>
<th>To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Projected Budget from All Sources</td>
<td>N/A</td>
<td>$166,481.00</td>
</tr>
<tr>
<td>Total CDBG Program Funds Budgeted</td>
<td>N/A</td>
<td>$166,481.00</td>
</tr>
<tr>
<td>Program Funds Drawdown</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Funds Obligated</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Funds Expended</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>City of Wilmington</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Match Contributed</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Income Received</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Program Income Drawdown</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Activity Description:

This activity will be to administer the City of Wilmington's NSP2, which will provide finance mechanism for the purchase of foreclosed homes, and will purchase and rehabilitate foreclosed homes for resale and rent by low-, moderate-, and middle-income households.

#### Location Description:

The City of Wilmington's NSP2 administrative activity will focus on census tracts 16, 9, 6.02, 8, 5, 3, 7, 21, 22, and 23.

#### Activity Progress Narrative:

During this quarter, DSHA submitted a substantial amendment to make up for the leveraging for New Castle County that fell through. Although this did not effect the City of Wilmington, DSHA could not send out Grant Agreements.

#### 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

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</tr>
</tbody>
</table>
Grantee Activity Number: NSP2 #05-01
Activity Title: DSHA Admin

Activity Category: Administration
Project Number: 3
Projected Start Date: 07/30/2010
Benefit Type: NSP Only - LMMI
National Objective: N/A

Activity Status: Planned
Project Title: Administration
Projected End Date: 02/11/2013
Completed Activity Actual End Date: 07/30/2010

Responsible Organization: Delaware State Housing Authority

Overall
Jul 1 thru Sep 30, 2010 To Date
Total Projected Budget from All Sources N/A $452,708.00
Total CDBG Program Funds Budgeted N/A $452,708.00
Program Funds Drawdown $0.00 $0.00
Program Funds Obligated $0.00 $0.00
Program Funds Expended $0.00 $0.00
  Delaware State Housing Authority
Match Contributed $0.00 $0.00
Program Income Received $0.00 $0.00
Program Income Drawdown $0.00 $0.00

Activity Description:
This activity will be used to administer Delaware's NSP2 program.

Location Description:
The DSHA NSP2 Administration activity will focus on all eligible NSP2 census tracts in Delaware.

Activity Progress Narrative:
During this quarter, DSHA submitted a substantial amendment to make up for the leveraging for New Castle County that fell through. Although this did not effect the City of Wilmington, DSHA could not send out Grant Agreements.

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
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