

Grantee: Middletown, OH

Grant: B-08-MN-39-0011

July 1, 2009 thru September 30, 2009 Performance Report

Grant Number:

B-08-MN-39-0011

Obligation Date:**Grantee Name:**

Middletown, OH

Award Date:**Grant Amount:**

\$2,144,379.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Original - In Progress

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

Areas of Greatest Need: The City of Middletowns is utilizing the information provided by HUD that lists the percentages of high cost loans, vacant properties, and the predicted 18 month underlying foreclosure rate in the LMMI census tracts. We have added these 3 percentages for each census tract and sorted the information from highest percentage to the lowest. The City has also created a map showing the census tracts at 80% of median income and 120% of median income. We pulled a current list of foreclosed properties that were provided by Butler county and overlaid those properties onto the map. **Distribution and Uses of Funds:** We have separated the LMMI census tracts in the city and for each individual tract have added the percentages of: foreclosed/vacant properties, properties financed with Hi-cost financing, and the estimated foreclosure for the next 18 months. Much of our efforts will be focused in the areas with those higher total percentages. However, staff has determined that ALL areas of the City are facing high risk. Therefore, the City will administer all NSP programs on a city-wide basis. Although projects may be in several different census tracts, the vast majority of the work will be in areas with a foreclosure abandonment risk score of at least 9 or higher. **Definitions and Descriptions:** The definition of a blighted structure can fall under one or several categories that we utilize: 1.)The cost to rehab the property to bring it to code must exceed 60% of the tax assessed value. 2.)It is deemed unsafe for the area and has to come down due to public safety. 3.)The property has been vacant for more than 90 days and is dilapidated and neglected and the cost to bring the property to code could not be justified for the area. If the property falls under 1 or more of the above mentioned, then it fits our definition of a blighted structure. **Affordable Rents:** For the purposes of the NSP program, the City will utilize the definition of low-HOME rents from the HOME Investment Partnerships program. **Continued Affordability:** On all the properties that are acquired, rehabbed, and resold, the city will provide a repayable second mortgage on the property at 20% of its purchase price. The buyer would then only have to finance 80% of the purchase property through traditional means. The second mortgage with the city will be at a 10 year term with an interest rate ranging from 0 to 3% depending on the buyers percentage of median income. **Housing Rehab Standards:** We will use the same standards utilized under the HOME program. All code and insipient code violations will be addressed and repaired. The City will adhere to the International Property Maintenance Code (IPMC) as well as local building codes and ordinances.

Recovery Needs:

Low Income Targeting: Amount of funds committing to less than 50% AMI=\$536,095. Although this number may be higher, we are only committing to utilize 25% of the NSP funds to purchase and redevelop abandoned or foreclosed upon homes for sale to households at or below 50% of area median income.

Acquisition and Relocation: The City of Middletown does intend to demolish vacant low and moderate income dwelling units as well as rehabbing some of the properties.

- We plan to target at least 50% of our efforts (demolition and rehab) in census tracts that are less than or equal to 80% of area median income.

- We estimate 11 NSP affordable housing units to be made available to LMMI households. To reach this goal in our time frame, 1 to 2 properties will have to be completed every 2 months.

- An additional estimated 9 units are expected to be made available for households whose income does not exceed 50% of area median income.
- Although there is a slight possibility, we are not planning on new construction activity. We are only looking for projects involving acquisition-rehab.

Public Comment: The City published a public notice announcing the availability of the NSP Substantial Amendment for review and comment in the Middletown Journal on 11/10/2008 as well as 11/13/2008 (see certification attached). In addition, on 11/7/2008 the City posted a copy of the amendment on its website at: <http://www.cityofmiddletown.org/nsp> as well as public postings being placed in the citys library, community center, and senior center.

The city is allowing 15 days for citizen comments. The comment period will expire on 11/22/2008. All written comments received by the city will be considered before submitting the final amendment to HUD. All comments should be addressed to:

City of Middletown
 Community Revitalization Division, 4th Floor
 Attn: Kyle Fuchs
 One Donham Plaza
 Middletown, OH 45042

*Overview of Comments:

- A citizen sent an email response on 11/12/08 with positive remarks on the citys overall plan. He did inquire as to why there were going to be 34 more demolitions than acquisitions and rehab.
- REPLY: Due to the time constraint put forth on this program (i.e. 18 months), it simply was not feasible to commit to more acquisition and rehab than the city could undertake in that time frame. It is inevitable that the city will be able to undertake more demolition than acquisition and rehab simply due to the cost of each. The amount of funds (and time) it takes for an acquisition and rehab project is about 10 times more than it takes to demolish a blighted property.
- The city sent a response to the citizen who made the comment explaining the above mentioned.

- A fax was received by the city on 11/20/2008 from Legal Aid Society of Southwest Ohio, LLC. They commented that the city be open to rent to own programs for those households < 50% of median income due to the market making it more difficult for those households to get financed. They also commented that it may be a good idea to leave open the possibility of providing some rental housing under the program.
- REPLY: First and foremost the City of Middletown wants to help as many families as possible become quality homeowners. With the way the city is incorporating the period of affordability by means of a low-interest loan second mortgage, it should help allow more people get approved for a first mortgage. However, if the city finds that loan qualifications do in fact become a problem, the city would be willing to look at other options which may include rent to own programs or forgivable seconds (this may or may not require an NSP amendment depending on the change). The City of Middletown has not decided to incorporate any further rental housing due to the large number of available rental units the city currently has outstanding. The cost to rent in Middletown is still low and rental vacancies are abundant.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$4,279,599.00
Total CDBG Program Funds Budgeted	N/A	\$2,144,379.00
Program Funds Drawdown	\$108,472.37	\$108,797.29
Obligated CDBG DR Funds	\$104,677.37	\$117,161.29
Expended CDBG DR Funds	\$96,313.37	\$96,638.29
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$50.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$321,656.85	\$0.00
Limit on Admin/Planning	\$214,437.90	\$16,405.82
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The City of Middletown was focused on demolition activities for this quarter. From July 1 to September 30 the City demolished 13 blighted residential properties expending \$92,391 under that activity. It is forecasted the we will have an additional 10-15 blighted properties demolished next quarter. The City is now beginning to turn our focus on acquisition activities. To keep on track, the we are planning on purchasing 2-3 foreclosed properties by year end and average an estimated 2 properties acquired per month starting January 2010. This will allow the City to reach its obligation requirement by September 2010.

Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Administration	\$0.00	\$16,080.90	\$214,437.00	\$16,405.82
2, Purchase and Rehabilitation to 120% AMI	\$0.00	\$0.00	\$960,000.00	\$0.00
258, NSP	\$0.00	\$0.00	\$0.00	\$0.00
3, Purchase and Rehabilitation to 50% AMI	\$0.00	\$0.00	\$536,095.00	\$0.00
4, Demolish Blighted Structures	\$0.00	\$92,391.47	\$433,847.00	\$92,391.47
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 100

Activity Title: Administration

Activity Category:

Administration

Activity Status:

Planned

Project Number:

1

Project Title:

Administration

Projected Start Date:

01/01/2009

Projected End Date:

07/01/2010

National Objective:

N/A

Responsible Organization:

City of Middletown

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$428,874.00
Total CDBG Program Funds Budgeted	N/A	\$214,437.00
Program Funds Drawdown	\$16,080.90	\$16,405.82
Obligated CDBG DR Funds	\$16,080.90	\$16,405.82
Expended CDBG DR Funds	\$16,080.90	\$16,405.82
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

The City will pay for staff and other delivery costs to ensure the NSP program is run efficiently and adhering to the guidelines of the program.

Location Description:

City of Middletown 1 Donham Plaza Middletown, OH 45042

Activity Progress Narrative:

This activity is used for administration expenses pertaining to NSP activities including salaries, fringes, and related soft costs.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$214,437.00
Total Other Funding Sources	\$214,437.00

Grantee Activity Number: 401

Activity Title: Residential Demo Group 1

Activity Category:

Clearance and Demolition

Activity Status:

Planned

Project Number:

4

Project Title:

Demolish Blighted Structures

Projected Start Date:

06/25/2009

Projected End Date:

07/17/2009

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Middletown

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$12,298.42
Total CDBG Program Funds Budgeted	N/A	\$12,298.42
Program Funds Drawdown	\$12,298.42	\$12,298.42
Obligated CDBG DR Funds	\$139.42	\$12,298.42
Expended CDBG DR Funds	\$139.42	\$139.42
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

24 CFR 570.201(d) Clearance for blighted structures only: This program will primarily focus on areas that have a foreclosure risk score of 9 or higher. These properties both have a 10. These properties are very blighted and unsafe.

Location Description:

Demolition of the following blighted properties: 723 Tenth Ave and 214 Young St. 723 Tenth: Census Tract 130 Blk Grp 2. Risk score of 10 214 Young: Census Tract 131 Blk Grp 1. Risk score of 10

Activity Progress Narrative:

The small amount spent in this activity for the quarter was for program delivery charges of staff to inspect, write up, and confirm that the demolition was completed to the agreed terms. Specifically, this activity was created for the properties at 214 Young and 723 Tenth. Households benefitting for the purposes of these quarterly progress reports is 2 per property demolished (1 house on each side of property).

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	2	0/0	0/0	4/2
# of housing units	0	0	2	0/0	0/0	2/2
# of Households benefitting	0	4	4	0/0	8/4	8/4

Activity Locations

Address	City	State	Zip
723 Tenth Ave	Middletown	NA	45044-
214 Young St	Middletown	NA	45044-

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
NSP	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number:	402
Activity Title:	Residential Demo Group 2

Activity Category:

Clearance and Demolition

Activity Status:

Planned

Project Number:

4

Project Title:

Demolish Blighted Structures

Projected Start Date:

08/05/2009

Projected End Date:

09/18/2009

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Middletown

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$29,966.36
Total CDBG Program Funds Budgeted	N/A	\$29,966.36
Program Funds Drawdown	\$29,791.36	\$29,791.36
Obligated CDBG DR Funds	\$29,791.36	\$29,791.36
Expended CDBG DR Funds	\$29,791.36	\$29,791.36
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

24 CFR 570.201(d) Clearance for blighted structures only: "This program will primarily focus on areas that have a foreclosure risk score of 9 or higher." These properties all have a score of 10. These properties are very blighted and unsafe.

Location Description:

Demolition of the following blighted properties: 624 Moore St (Census Tract 132 Blk Grp 2, Risk score = 10), 1317 Woodlawn Ave (Census Tract 131 Blk Grp 1, Risk score = 10), 1120 Garfield St (Census Tract 131 Blk Grp 2, Risk score = 10), & 1903 Casper St. (Census Tract 128 Blk Grp 2, Risk score = 10).

Activity Progress Narrative:

Demolition of above blighted properties which includes: the cost of actual demolition and expenses incurred as a result of their demolition such as program delivery costs and legal fees. Each of the above properties were very blighted and were all in NSP tracts having a risk score of 10. The number of households benefitting for the purposes of these quarterly reports is 2 per property (1 house on each side of demolished property).

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	4	0/0	0/0	4/4

# of housing units	0	0	5	0/0	0/0	5/4
# of Households benefitting	0	8	8	0/0	8/8	8/8

Activity Locations

Address	City	State	Zip
1120 Garfield St	Middletown	NA	45044-
624 Moore St	Middletown	NA	45044-
1903 Casper St	Middletown	NA	45042-
1317 Woodlawn Ave	Middletown	NA	45044-

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: 403

Activity Title: Residential Demo Group 3

Activity Category:

Clearance and Demolition

Activity Status:

Planned

Project Number:

4

Project Title:

Demolish Blighted Structures

Projected Start Date:

08/05/2009

Projected End Date:

09/11/2009

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Middletown

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$37,318.69
Total CDBG Program Funds Budgeted	N/A	\$37,318.69
Program Funds Drawdown	\$29,538.69	\$29,538.69
Obligated CDBG DR Funds	\$29,538.69	\$29,538.69
Expended CDBG DR Funds	\$29,538.69	\$29,538.69
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

24 CFR 570.201(d) Clearance for blighted structures only: "This program will primarily focus on areas that have a foreclosure risk score of 9 or higher." These properties all have a risk score of 10. These properties are very blighted and unsafe.

Location Description:

Demolition of the following blighted properties: 1810 Columbia Ave (Census Tract 128 Blk Grp 1, Risk score = 10), 830 Sixteenth Ave (Census Tract 140 Blk Grp 1, Risk score = 10), 527 Baltimore St (Census Tract 131 Blk Grp 1, Risk score = 10), 215 Baltimore St. (Census Tract 131 Blk Grp 1, Risk score = 10), & 1425 Oxford State Rd. (Census 139 Blk Grp 4, Risk score = 10).

Activity Progress Narrative:

Demolition of above blighted properties which includes: the cost of actual demolition and expenses incurred as a result of their demolition such as program delivery costs and legal fees. Each of the above properties were very blighted and were all in NSP tracts having a risk score of 10. The number of households benefitting for the purposes of these quarterly reports is 2 per property (1 house on each side of demolished property). 527 Baltimore & 830 Sixteenth were completed on 9/1/2009. 1810 Columbia Ave & 1425 Oxford State Rd were completed on 9/10/2009. 215 Baltimore is currently underway.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	5	0/0	0/0	5/5
# of housing units	0	0	5	0/0	0/0	5/5
# of Households benefitting	0	10	10	0/0	10/10	10/10

Activity Locations

Address	City	State	Zip
527 Baltimore St	Middletown	NA	45044-
830 Sixteenth Ave	Middletown	NA	45044-

1425 Oxford State Rd	Middletown	NA	45044-
1810 Columbia Ave	Middletown	NA	45042-
215 Baltimore St	Middletown	NA	45044-

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: 404

Activity Title: Residential Demo Group 4

Activity Category:

Clearance and Demolition

Activity Status:

Planned

Project Number:

4

Project Title:

Demolish Blighted Structures

Projected Start Date:

08/26/2009

Projected End Date:

09/25/2009

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Middletown

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$29,127.00
Total CDBG Program Funds Budgeted	N/A	\$29,127.00
Program Funds Drawdown	\$20,763.00	\$20,763.00
Obligated CDBG DR Funds	\$29,127.00	\$29,127.00
Expended CDBG DR Funds	\$20,763.00	\$20,763.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

24 CFR 570.201(d) Clearance for blighted structures only: "This program will primarily focus on areas that have a foreclosure risk score of 9 or higher." These properties all have a risk score of 10. These properties are very blighted and unsafe.

Location Description:

Demolition of the following blighted properties: 814 Fifteenth Ave (Census Tract 140 Blk Grp 1, Risk score = 10), 1117 Young St (Census Tract 131 Blk Grp 2, Risk score = 10), 403 Baltimore St (Census Tract 131 Blk Grp 1, Risk score = 10), & 232 Park St (Census Tract 130 Blk Grp 1, Risk score = 10).

Activity Progress Narrative:

Demolition of above blighted properties which includes: the cost of actual demolition and expenses incurred as a result of their demolition such as program delivery costs and legal fees. Each of the above properties were very blighted and were all in NSP tracts having a risk score of 10. The number of households benefitting for the purposes of these quarterly reports is 2 per property (1 house on each side of demolished property). 403 Baltimore was completed on 9/3/2009. 814 Fifteenth Ave was completed on 9/10/2009. 1117 Young was completed on 9/15/2009. 232 Park will be completed in next quarter.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	4	0/0	0/0	4/3
# of housing units	0	0	5	0/0	0/0	5/3
# of Households benefitting	0	8	8	0/0	8/12	8/12

Activity Locations

Address	City	State	Zip
1117 Young St	Middletown	NA	45044-
403 Baltimore St	Middletown	NA	45044-

232 Park St
814 Fifteenth Ave

Middletown
Middletown

NA
NA

45044-
45044-

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
