

**Grantee: Middletown, OH**

**Grant: B-08-MN-39-0011**

**October 1, 2013 thru December 31, 2013 Performance Report**

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**Grant Number:**

B-08-MN-39-0011

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

Middletown, OH

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

Submitted - Await for Review

**LOCCS Authorized Amount:**

\$2,144,379.00

**Grant Status:**

Active

**QPR Contact:**

Kyle Fuchs

**Estimated PIRL Funds:**

\$725,000.00

**Total Budget:**

\$2,869,379.00

## Disasters:

### Declaration Number

NSP

## Narratives

### Areas of Greatest Need:

Areas of Greatest Need: The City of Middletown's 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 buyer's 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.

### Distribution and and Uses of Funds:

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 city's 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 city's 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.

**Definitions and Descriptions:**

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

| <b>Overall</b>                                 | <b>This Report Period</b> | <b>To Date</b> |
|--|---------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                       | \$4,625,678.49 |
| <b>Total Budget</b>                            | \$0.00                    | \$2,490,458.49 |
| <b>Total Obligated</b>                         | \$0.00                    | \$2,451,951.70 |
| <b>Total Funds Drawdown</b>                    | \$448.41                  | \$2,373,029.43 |
| <b>Program Funds Drawdown</b>                  | \$448.41                  | \$1,836,288.16 |
| <b>Program Income Drawdown</b>                 | \$0.00                    | \$536,741.27   |
| <b>Program Income Received</b>                 | \$0.00                    | \$536,741.27   |
| <b>Total Funds Expended</b>                    | \$448.41                  | \$2,369,217.89 |
| <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               | \$321,656.85 | \$0.00       |
| Limit on Admin/Planning                | \$214,437.90 | \$264,231.31 |
| Limit on State Admin                   | \$0.00       | \$264,231.31 |

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

| National Objective            | Target       | Actual       |
|-------------------------------|--------------|--------------|
| NSP Only - LH - 25% Set-Aside | \$536,094.75 | \$608,486.00 |

## Overall Progress Narrative:

This past quarter, the City procured a new agent that is getting the remaining properties listed and hopefully sold quickly. Expenses were minimal, consisting only of property taxes and holding costs.

## Project Summary

| Project #, Project Title                   | This Report Period     | To Date                |                        |
|--|------------------------|------------------------|------------------------|
|  | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 1, Administration                          | \$0.00                 | \$268,037.00           | \$215,168.78           |
| 2, Purchase and Rehabilitation to 120% AMI | \$0.00                 | \$925,140.58           | \$644,475.45           |
| 258, NSP                                   | \$0.00                 | \$0.00                 | \$0.00                 |
| 3, Purchase and Rehabilitation to 50% AMI  | \$448.41               | \$780,486.00           | \$453,446.08           |
| 4, Demolish Blighted Structures            | \$0.00                 | \$700,000.00           | \$523,197.85           |
| 9999, Restricted Balance                   | \$0.00                 | \$0.00                 | \$0.00                 |



## Activities

|                                 |                    |
|---------------------------------|--------------------|
| <b>Grantee Activity Number:</b> | <b>301</b>         |
| <b>Activity Title:</b>          | <b>915 Malvern</b> |

### Activity Category:

Rehabilitation/reconstruction of residential structures

### Project Number:

3

### Projected Start Date:

01/28/2010

### Benefit Type:

Direct Benefit (Households)

### National Objective:

NSP Only - LH - 25% Set-Aside

### Activity Status:

Under Way

### Project Title:

Purchase and Rehabilitation to 50% AMI

### Projected End Date:

08/30/2011

### Completed Activity Actual End Date:

### Responsible Organization:

City of Middletown

| Overall  | Oct 1 thru Dec 31, 2013 | To Date      |
|--|-------------------------|--------------|
| <b>Total Projected Budget from All Sources</b> | N/A                     | \$177,076.00 |
| <b>Total Budget</b>                            | \$0.00                  | \$177,076.00 |
| <b>Total Obligated</b>                         | \$0.00                  | \$177,076.00 |
| <b>Total Funds Drawdown</b>                    | \$448.41                | \$176,478.46 |
| <b>Program Funds Drawdown</b>                  | \$448.41                | \$105,466.00 |
| <b>Program Income Drawdown</b>                 | \$0.00                  | \$71,012.46  |
| <b>Program Income Received</b>                 | \$0.00                  | \$0.00       |
| <b>Total Funds Expended</b>                    | \$448.41                | \$176,478.46 |
| City of Middletown                             | \$448.41                | \$176,478.46 |
| <b>Match Contributed</b>                       | \$0.00                  | \$0.00       |

### Activity Description:

24 CFR 570.201(a) Acquisition and 570.202 Rehabilitation: This program will primarily focus on areas that have a foreclosure abandonment risk score of 9 or higher. This property is being purchased to alleviate blight and to encourage home ownership to LMMI households.

### Location Description:

The property is located at 915 Malvern St, Parcel Q6532034000085, (Census Tract 122, Blk Grp 4, Risk score=10).

### Activity Progress Narrative:

This past quarter's expenses consisted of property taxes, utility, and water bills.

### Accomplishments Performance Measures

|                              | This Report Period | Cumulative Actual Total / Expected |
|------------------------------|--------------------|------------------------------------|
|                              | Total              | Total                              |
| # of Properties              | 0                  | 2/1                                |
| #Efficient AC added/replaced | 0                  | 0/1                                |



|                                     |   |      |
|-------------------------------------|---|------|
| #Replaced thermostats               | 0 | 0/1  |
| #Replaced hot water heaters         | 0 | 0/1  |
| #Light Fixtures (indoors) replaced  | 0 | 0/10 |
| #Light fixtures (outdoors) replaced | 0 | 0/3  |
| #Refrigerators replaced             | 0 | 0/1  |
| #Dishwashers replaced               | 0 | 0/1  |
| #Units with bus/rail access         | 0 | 0/1  |
| # ELI Households (0-30% AMI)        | 0 | 0/0  |

|                         | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
|                         | Total              | Total                              |
| # of Housing Units      | 0                  | 0/1                                |
| # of Singlefamily Units | 0                  | 0/1                                |

### Beneficiaries Performance Measures

|                    | This Report Period |     |       | Cumulative Actual Total / Expected |     |       |          |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
|                    | Low                | Mod | Total | Low                                | Mod | Total | Low/Mod% |
| # of Households    | 0                  | 0   | 0     | 0/1                                | 0/0 | 0/1   | 0        |
| # Owner Households | 0                  | 0   | 0     | 0/1                                | 0/0 | 0/1   | 0        |

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources          | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found |        |
| Total Other Funding Sources    |        |

