

Grantee: Ohio

Grant: B-09-CN-OH-0034

January 1, 2014 thru March 31, 2014 Performance Report



Grant Number:
B-09-CN-OH-0034

Obligation Date:

Award Date:
02/11/2010

Grantee Name:
Ohio

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
\$25,422,148.00

Grant Status:
Active

QPR Contact:
Michael A. Hiler

LOCCS Authorized Amount:
\$25,422,148.00

Estimated PI/RL Funds:
\$2,499,924.88

Total Budget:
\$27,922,072.88

Disasters:

Declaration Number

NSP

Narratives

Executive Summary:

The Ohio Department of Development is requesting \$50 million in NSP2 funds to undertake a comprehensive initiative that addresses vacant and abandoned properties and stimulates revitalization in small cities and rural areas across the state. Working in collaboration with a network of seven strong, experienced local non-profit consortium members and other committed project partners, the state will use NSP2 resources in the diverse local markets in 176 census tracts in 33 counties that make up the target geography. It is anticipated that NSP2 activities could benefit all or some of the target census tracts.

Target Geography:

The target geography includes 176 census tracts within 33 primarily rural/non-urban counties. The tracts have an average max foreclosure score of 18.69 as determined by the HUD Needs Factor website (see Appendix B). Each of the 33 counties has at least 4 census tracts, or 33% of all tracts in the county, that meet the threshold score of 18 on either of HUD's foreclosure related needs indices (the foreclosure needs index or the foreclosure with vacancy risk index).

Need for Neighborhood Stabilization

Because the target geography includes primarily rural areas and small cities and villages, the urban concept of "neighborhood" is



not always applicable. However, the target geography clearly exhibits the characteristics of areas in need of housing stabilization. The analysis below includes HUD NSP2 Need Data, data from other secondary sources, and information from the Consortium members, who have in-depth knowledge of conditions in the target geography.

Unemployment:

Between May 2007 and May 2009, the number of people who were unemployed in the 33 target counties increased from 59,100 to 122,500. This 107% growth in unemployment outpaced the state, which had a 92% increase. In May 2009, the unemployment rates for the target counties ranged from 8.1% to 15.8%, and 24 of the counties had rates above the state figure of 10.8% (Source: Ohio Labor Market Information, Labor Force Estimates). Consortium members indicate recent business closures and downsizing (e.g. ABX-DHL Airpark, Severstal Wheeling, Phillips Display Components) have meant the abrupt loss of hundreds, and sometimes thousands, of jobs in these small Ohio communities.

Population loss:

Twelve of the target counties lost population from 2000 to 2008. The target census tracts had an estimated 1.2% drop in total population (from 774,767 to 765,084) from 2000-2008, compared to a 2.5% increase for the state overall. Among the 176 target tracts, 88 decreased in population, and 52 had a decrease of 5% or more. Another 50 tracts had little or no population change (Source: ESRI Business Analyst estimates).

Foreclosure:

From 2005 to 2008, foreclosure filings increased by 36% in the 33 target counties (Source: PolicyMatters Ohio analysis of court data). From 2004 to 2007, the 176 target census tracts had 109,254 total home mortgages. In 2006 and 2007, 17,291 mortgages were either starting the foreclosure process or seriously delinquent. These census tracts, which had 36% of the target counties' households, had 43% of all foreclosures (Source: HUD NSP2 Dataset).

Vacant and abandoned housing:

The U.S. Postal Service vacant property database included 334,739 total residential addresses in the target tracts in the first quarter of 2009, and 15,475 total vacant addresses (4.6%). Over half (57.4%) of the vacant residential addresses had been continuously vacant for 12 months or longer, an indicator of possible abandonment.

Program Approach:

The Ohio Department of Development will receive \$25,422,148 in NSP2 funds to undertake a comprehensive NSP2 initiative that addresses vacant and abandoned properties and stimulates revitalization in small cities and rural areas across the state. Working in collaboration with a network of strong, experienced local non-profit consortium members and other committed project partners as described under Factor 2, the state will use NSP2 resources in the diverse, local markets in the 176 census tracts in 33 counties that make up the target geography. It is anticipated that NSP2 activities will benefit all target census tracts. ODOD will use NSP2 funds for the following activities and estimated outcomes, create financing mechanisms for the purchase and/or redevelopment of approximately 4 foreclosed homes; 2) purchase and rehabilitate approximately 100 units for sale or rent; 3) demolish approximately 168 blighted structures; and 4) develop approximately 95 housing units through redevelopment of vacant properties. The market analysis and resulting market typology framework described under Factor 1 were used to develop the strategy for use of NSP2 funds across activities described below. NSP2 activities in each region will reflect: 1) the specific market types of the target tracts within that region, 2) availability of appropriate project sites; 3) availability of other funding resources; and 4) opportunities to coordinate NSP2 activities with other activities for maximum stabilization and long-term economic benefits. ODOD will work with the local partners to adjust regional activities to assure that the planned mix of activities and outcomes is accomplished across the seven regions. In order that funds can be spent within NSP2 timeframes, ODOD and the consortium members have identified some projects that can get underway quickly—within four months after HUD grant approval—and show measurable results within the first year.

Coordinated components and expansion of existing activities:

The mix of NSP2 funds will coordinate with and expand the state's long-standing housing and community development, housing finance, and homeownership programs serving the NSP2 target geography, as well as recent programs initiated to address the foreclosure crisis. This will happen in two ways: ODOD and the Ohio Housing Finance Agency (OHFA) will target state funding and programs to areas where NSP2 dollars are used, and the Ohio NSP2 partners will coordinate their existing resources and activities in the target census tracts. The following are State of Ohio coordinated components and existing activities that will help to increase the impact of NSP2 activities:

Community Housing Improvement Program (CHIP): The CDBG- and Home Investment Partnerships-funded competitive CHIP funds housing activities that are based on a Community Housing Improvement Strategy (CHIS) developed by the local government in collaboration with



community stakeholders. ODOD gives priority to projects that target or leverage other funds for a specific target area. Grantees who undertake homeownership activities are required to include a homebuyer education component in their program.

CDBG Formula Program: The CDBG Formula Program can be used for infrastructure, demolition, and home repair projects that Community Assessme

Program Approach:

All of the 33 NSP2 target counties receive CDBG Formula Program Funds.

CDBG Neighborhood Revitalization Grants: Neighborhood Revitalization Grants can be used by local communities to address public facility improvements such as construction, reconstruction, and rehabilitation of infrastructure in targeted areas of distress.

NSP1 Funds:

The State of Ohio has awarded grants of \$116 million in NSP1 funds to local communities to assist in the stabilization of areas of greatest need because of foreclosure. All activities are currently in progress. NSP1 funds are being used throughout the NSP2 target area, and ODOD and local consortium members will identify opportunities to coordinate the two funding streams to maximize their impact on local communities.

Housing Development Assistance Program:

The HDAP uses HOME funds and state Housing Trust Funds to provide gap financing for affordable housing developments to expand, preserve, and/or improve the supply of decent, safe, affordable housing for very low to moderate-income persons and households in Ohio.

The following is a description of the activities that will be funded with NSP2 funds:

Financing mechanisms: This activity includes establishing financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft seconds, loan loss reserves, and share equity loans for low-, moderate, and middle-income homebuyers. Finance mechanisms, including affordability subsidies, will be provided such that a homebuyer's principal, interest, taxes, and insurance do not exceed 30% of the household's gross monthly income. This activity will consist of down payment assistance coupled with rehabilitation where the property is purchased directly by an income eligible household with assistance by the consortium members, then rehabilitated as necessary to meet program standards. The green building standards attached to this application, as incorporated in the Residential Rehabilitation Standards (RRS), will be incorporated into the rehabilitation work.

Purchase and rehabilitate: This activity includes purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. This activity will provide homeownership opportunities to households with income at or below 120 percent of the area median income, and rental opportunities to households at or below 50 percent area median income. In certain instances, lease purchase options may also be provided to ensure that eligible households are offered every opportunity to become home owners. This activity will include acquisition and rehabilitation of residential property by the consortium members, abiding by all program standards, and then resale of property to an income eligible household. The green building and deconstruction standards attached to this application will be followed for all rehabilitation efforts.

Demolition: This activity includes demolishing blighted structures. Blighted structures will be determined using the definition provided in this application. All demolition will follow the deconstruction standards attached to this application.

Program Approach:

application.

Redevelopment: This activity includes redevelopment of demolished or vacant properties as housing for low-, moderate-, and middle-income households. This activity will include redevelopment of single-family as well as multi-family residential units. This activity will provide homeownership opportunities to households with income at or below 120 percent of the area median income, and rental opportunities to households at or below 50 percent area median income. All redevelopment will follow the green building and deconstruction standards attached to this application.

Consortium Members:

The 33 counties that include the target census tracts are grouped into seven regions, each built around the service area of a nonprofit consortium member: Region 1, WSOS Community Action Commission—Allen, Hancock, Marion, Putnam, Seneca, Van Wert, Wood; Region 2, Neighborhood Development Services—Columbiana, Harrison, Jefferson, Medina, Portage; Region 3, Ohio Regional Development Corporation—Belmont, Coshocton, Crawford, Guernsey, Morgan, Morrow, Muskingum; Region 4, Mid-Ohio Regional Planning Commission—Fairfield, Licking, Perry, Ross; Region 5, Community Action Partnership of the Greater Dayton Area—Darke; Region 6, Community Action Commission of Fayette County—Adams, Brown, Clinton, Fayette, Highland; Region 7, Gallia-Meigs Community Action Agency Inc.—Pike, Meigs, Scioto, Vinton.

How to Get Additional Information:

Overall

This Report Period

To Date



Total Projected Budget from All Sources	N/A	\$27,922,072.88
Total Budget	\$0.00	\$27,922,072.88
Total Obligated	\$0.00	\$27,922,072.88
Total Funds Drawdown	\$0.00	\$27,922,072.88
Program Funds Drawdown	\$0.00	\$25,422,148.00
Program Income Drawdown	\$0.00	\$2,499,924.88
Program Income Received	\$0.00	\$2,499,924.88
Total Funds Expended	\$0.00	\$27,922,072.88
Match Contributed	\$0.00	\$1,890,000.00

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	\$1,890,000.00
Limit on Public Services	\$0.00	\$0.00
Limit on Admin/Planning	\$2,542,214.80	\$2,368,883.26
Limit on State Admin	\$0.00	\$2,368,883.26

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,542,214.80	\$2,368,883.26

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$6,355,537.00	\$11,531,430.71

Overall Progress Narrative:

Program Complete and ready for closeout

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
02, B - Purchase and Rehabilitate	\$0.00	\$3,638,517.91	\$2,539,110.37
03, E - Redevelopment	\$0.00	\$8,353,562.24	\$7,391,321.98
04, D - Demolition	\$0.00	\$2,029,678.76	\$1,800,271.02
06, B - Rental Initiative	\$0.00	\$11,531,430.71	\$11,389,381.33
07, F - Administration	\$0.00	\$2,368,883.26	\$2,302,063.30



