

# Action Plan

**Grantee:** Muncie, IN

**Grant:** B-08-MN-18-0009

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<b>Grant Amount:</b>	\$ 2,007,356.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL</b>	\$ 4,350.00
<b>Total Budget:</b>	\$ 2,011,706.00

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Areas of Greatest Need:

Section 2301(c)(2) of HERA requires that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. This application uses HUD's census data compilation showing estimated foreclosure abandonment risk scores, percentage of persons at or below 120% of the Area Median Income (AMI), percentage of home price decline, percentage of high cost loan rates (subprime loans), percentage of predicted 18 month underlying problem foreclosure rate, and percentage of residential vacancy rate for Muncie (see NSP Census data at page 14, and an explanation of the methodology at [http://www.huduser.org/publications/commdev/nsp\\_target.html](http://www.huduser.org/publications/commdev/nsp_target.html)). The map at p16 shows these percentages by Census Tract. The city's areas of greatest need are those that meet all of the following criteria: "an estimated foreclosure abandonment risk score of 10 or more" "percentage of persons at or below 120% of the Area Median Income (AMI) is 51% or more" "percentage of high cost loan rates (subprime loans) is 30% or higher" "percentage of predicted 18 month underlying problem foreclosure rate is 10% or higher, and" "residential vacancy rate is 25% or higher Census Tracts 1, 2, 3, 4, and 6 meet these criteria. According to HUD definition, a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. Indiana Code 36-9-7 defines an unsafe building as follows: "A building or structure, or any part of a building or structure, that is: (1) in an impaired structural condition that makes it unsafe to a person or property; (2) a fire hazard; (3) a hazard to the public health; (4) a public nuisance; (5) dangerous to a person or property because of a violation of a statute or ordinance concerning building condition or maintenance; or (6) vacant and not maintained in a manner that would allow human habitation, occupancy, or use under the requirements of a statute or an ordinance; is considered an unsafe building. Although Indiana Code does not specifically define unsafe buildings as "blighted," it can be assumed that unsafe buildings are blighted or fall within the definition of blight. The City of Muncie Unsafe Building Law (Code of Ordinances Title XV, Chapter 152, Division 3, Section 152.15) adopts the Indiana Unsafe Building Law in its entirety. In addition, the City code makes the following references to blighted structures: (f) Vacant, deteriorated structures contribute to blight, cause a decrease in property values, and discourage neighbors from making improvements to properties. (i) The blighting influence of vacant, deteriorated structures adversely affects the tax revenues of local government. (j) The city finds that vacant, deteriorated structures create a serious and substantial problem in urban areas and are public nuisances. (g) Structures that remain boarded up for an extended period of time also exert a blighting influence and contribute to the decline of the neighborhood by decreasing property values, discouraging persons from moving into the neighborhood, and encouraging persons to move out of the neighborhood. (2) Definition of "affordable rents." Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program specific requirements, such as continued affordability.

### Distribution and Uses of Funds:

The period of affordability is based on total amount of NSP funds invested, as follows: 5 years for less than \$15,000 in NSP funds per unit; 10 years for \$15,000 to \$40,000 in NSP funds per unit; 15 years for greater than \$40,000 in NSP funds per unit. Affordability requirements will be enforced through deed restrictions, mortgages, and promissory notes, all of which will be recorded by the Delaware County Recorder. The Muncie Housing Code of 2002 will apply to NSP assisted activities, as well as Indiana Residential Code, 2005 Edition, or 2008 Indiana Building Code, as applicable. The City plans to use \$501,839.00 in NSP funds (25% of the total allocation) for purchase and rehabilitation of an abandoned or foreclosed upon property (or properties) to create multi-family rental units for housing individuals and families whose incomes do not exceed 50% of area median income. While the specific site has not been identified, it will be located in an area of greatest need described above on page 2. In selecting the project site, CD will consider the impact on the surrounding neighborhood, the



developer's record of success, and the developer's leveraging of funds, e.g., application for low income housing tax credits and, possibly, historic preservation tax credits. CD is considering proposals from experienced and qualified for-profit and non-profit developers, and has toured potential project sites with them. One building has been ruled out due to likely difficulties in environmental review. Another looks very promising. CD is consulting with the State Historic Preservation Officer regarding National Register eligibility of each proposed property. While details have not yet been determined, CD plans to commit the entire low-income-targeted amount to a single project. Given the short timeline for planning and completion of NSP projects, this will serve to minimize administration costs and maximize the potential for a successful project. The City does not intend to demolish or convert any low- and moderate-income dwelling units (i.e., &le 80% of area median income). All properties to be demolished will be long-vacant, abandoned, uninhabitable structures; no persons will be displaced. The City plans to use NSP funds to demolish approximately 136 blighted structures in the areas of greatest need (Census Tracts 1, 2, 3, 4, and 6), at an average cost of \$6,500. CD staff is working with the Unsafe Building Hearing Authority, the City Building Commissioner, and neighborhood representatives in establishing site priority, but all demolitions will be Section 2301(c)(2) of HERA requires that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. This application uses HUD's census data compilation showing estimated foreclosure abandonment risk scores, percentage of persons at or below 120% of the Area Median Income (AMI), percentage of home price decline, percentage of high cost loan rates (subprime loans), percentage of predicted 18 month underlying problem foreclosure rate, and percentage of residential vacancy rate for Muncie (see NSP Census data at page 14, and an explanation of the methodology at [http://www.huduser.org/publications/commdev/nsp\\_target.html](http://www.huduser.org/publications/commdev/nsp_target.html) ). The map at p16 shows these percentages by Census Tract. 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Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program "specific requirements, such as continued affordability. located in described target areas. The cleared sites will not be redeveloped with NSP funds, but most will be acquired and disposed of by the land bank for the purpose of re-use or redevelopment. The City anticipates most land bank properties will be acquired through the tax foreclosure process.

**Definitions and Descriptions:**

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

**Project Summary**

Project #	Project Title	Grantee Activity #	Activity Title
1	Administration	1	Administration
2	Clearance	2	Clearance
3	Land Bank	3	Land Bank
4	Multi-Family Rental Development	4A	Jackson Vine Apartments
		4B	Graystone Apartments
		2	



9999

Restricted Balance

*No activities in this project*

## Activities



**Grantee Activity Number:** 1  
**Activity Title:** Administration

**Activity Type:**

Administration

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Administration

**Projected Start Date:**

04/01/2009

**Projected End Date:**

04/01/2012

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Total Budget:**

\$ 76,170.00

**Other Funds Total:**

\$ 0.00

**Environmental Assessment:**

EXEMPT

**Total Funds Amount:**

\$ 76,170.00

**Benefit Report Type:**

NA

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Muncie

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Muncie

**Organization Type**

Local Government

**Proposed**

\$ 75,735.00

**Location Description:**

N/A

**Activity Description:**

Reimburse CDBG pre-grant costs; Administer NSP grant

**Activity Comments:**

Reviewer - AB - Activity increased \$435 to \$76,170 due to Program Income.

Reviewer - AB - Revised so excess admin can be used for projects.

JOHN DORGAN - Consistent with substantial amendment-will revise upon subaward

JOHN DORGAN - Consistent with approved 12-1-08 substantial amennment



JOHN DORGAN - Consistent with approved 12-1-08 substantial amennndment

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**Grantee Activity Number:** 2  
**Activity Title:** Clearance

**Activity Type:**

Clearance and Demolition

**Activity Status:**

Under Way

**Project Number:**

2

**Project Title:**

Clearance

**Projected Start Date:**

04/01/2009

**Projected End Date:**

04/01/2013

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Total Budget:**

\$ 1,429,782.00

**Other Funds Total:**

\$ 0.00

**Environmental Assessment:**

UNDERWAY

**Total Funds Amount:**

\$ 1,429,782.00

**Benefit Report Type:**

Area Benefit (Census)

**Proposed Accomplishments**

**Total**

# of Housing Units

136

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Muncie

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Muncie

**Organization Type**

Local Government

**Proposed**

\$ 1,429,782.00

**Location Description:**

Census Tracts 1, 2, 3, 4, 6

**Activity Description:**

Demolish blighted structures

**Activity Comments:**

Reviewer - AB - no changes to this activity.

Reviewer - AB - Increased according to revised plan. Using excess administration funding for this activity.

JOHN DORGAN - Corresponds with the 12-1-08 approved action plan

JOHN DORGAN - Corresponds with the 12-1-08 approved action plan





**Grantee Activity Number:** 3  
**Activity Title:** Land Bank

**Activity Type:**

Land Banking - Acquisition (NSP Only)

**Project Number:**

3

**Projected Start Date:**

02/01/2008

**National Objective:**

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Environmental Assessment:**

UNDERWAY

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Land Bank

**Projected End Date:**

02/01/2013

**Total Budget:**

\$ 0.00

**Other Funds Total:**

\$ 0.00

**Total Funds Amount:**

\$ 0.00

**Proposed Accomplishments**

**Total**

# of Housing Units

# of Properties

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Muncie

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

City of Muncie

**Organization Type**

Local Government

**Proposed**

\$ 0.00

**Location Description:**

Sites to be determined in Census Tracts 1, 2, 3, 4 and 6

**Activity Description:**

Establish a land bank to acquire, manage, and dispose of unoccupied properties for re-use or redevelopment.

**Activity Comments:**

Reviewer - AB - no changes to this activity.

Reviewer - AB - No activity will be completed under this activity under revised plan.





**Grantee Activity Number: 4A**  
**Activity Title: Jackson Vine Apartments**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

4

**Project Title:**

Multi-Family Rental Development

**Projected Start Date:**

02/01/2008

**Projected End Date:**

02/01/2013

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget:** \$ 376,710.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 376,710.00

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	Total	Low	Mod	Low/Mod%
# Renter Households	3	3		100.00
# of Households	3	3		100.00

**Proposed Accomplishments**

	Total
# of Multifamily Units	3
# of Housing Units	3
# ELI Households (0-30% AMI)	
# of Properties	1

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Muncie

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
City of Muncie	Local Government	\$ 372,795.00

**Location Description:**

Jackson Vine Apartments, 619 E. Jackson Street, Muncie, IN 47305

**Activity Description:**

Purchase & rehabilitate residential property that has been abandoned or foreclosed upon to provide affordable rental housing to income-eligible persons

**Activity Comments:**

Reviewer - AB - activity has been increased \$3,915 to \$376,710 due to program income.



Reviewer -

AB - This activity's funding was reduced by the amount needed for the Greystone Apartments.

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**Grantee Activity Number: 4B**  
**Activity Title: Graystone Apartments**

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

4

**Project Title:**

Multi-Family Rental Development

**Projected Start Date:**

09/01/2010

**Projected End Date:**

08/31/2013

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Total Budget:** \$ 129,044.00

**Other Funds Total:** \$ 0.00

**Total Funds Amount:** \$ 129,044.00

**Environmental Assessment:**

COMPLETED

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

	Total	Low	Mod	Low/Mod%
# Renter Households	3	3		100.00
# of Households	3	3		100.00

**Proposed Accomplishments**

	Total
# of Multifamily Units	3
# of Housing Units	3
# ELI Households (0-30% AMI)	
# of Properties	1

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Muncie

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
City of Muncie	Local Government	\$ 129,044.00

**Location Description:**

900 E Washington Street, Muncie

**Activity Description:**

Purchase vacant multi-family residential building for rehab using other funding sources.

**Activity Comments:**

Reviewer - AB - no changes to this activity.



- Reviewer - AB - This activity was increased by the amount Jackson-Vine was reduced.
- Reviewer - AB - this address has always been part of the project. Originally, the City did not plan to include NSP funds in this property; however, later determined it eligible and feasible to include it.
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## Action Plan Comments:

- Reviewer - AB - reviewed and approved.
- Reviewer - AB - Action Plan updated to fully reflect changes made to the program. Admin funds were moved into project activities so they can be fully utilized.
- Reviewer - AB - Action Plan updates provide a better sense of the projects being undertaken under their rental rehabilitation activity.
- Reviewer - AB - City is having difficulty moving funds in DRGR. It was suggested that they submit their plan for approval, which might allow them to move funds. Plan is approved so that City can attempt to reallocate funds as necessary and previously submitted.
- Reviewer - Approved to allow city to submit quarterly report.
- Reviewer - Please remove duplicate 'responsible organization' from project 4 - Jackson Vine Apartments and resubmit.
- Reviewer - Reviewed by Aaron Bailey - approved to allow city to submit quarterly report.
- JOHN The initial action plan in DRGR has not been established with the city's multifamily Rehab project and the land bank activity. it will be set up at a later time.
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## Action Plan History

Version	Date
B-08-MN-18-0009 AP#1	08/25/2010
B-08-MN-18-0009 AP#2	08/17/2011
B-08-MN-18-0009 AP#3	10/30/2012

