

Action Plan

Grantee: Kokomo, IN

Grant: B-11-MN-18-0008

LOCCS Authorized Amount:	\$ 1,014,327.00
Grant Award Amount:	\$ 1,014,327.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 392,000.00
Total Budget:	\$ 1,406,327.00

Funding Sources

Funding Source	Funding Type
Local City Funds- optional	City Funds

Narratives

Summary of Distribution and Uses of NSP Funds:

The City of Kokomo has established a target area in the northwest portion of the city, which is known as the NW-NSP3 target area. It is also referred to in the HUD Mapping Tool data as "Northwest priority1." Within the target area, the City will partner with a Developer and use NSP funds for the following activities: 1) Acquisition, demolition and clearance, reconstruction and sale of homes to low- to middle-income homebuyers; 2) Acquisition, rehabilitation and sale of housing units to low- to middle-income homebuyers. With Project No.1, over twenty-five percent (25%) of available NSP funds have been setaside (Project 1) for the reconstruction of homes for persons or households with incomes at or below 50% AMI.

How Fund Use Addresses Market Conditions:

The NSP activities will address local market conditions within the NW-NSP3 target area by stabilizing property values and increasing the supply of quality, affordable housing. It is also expected that the current market conditions will also be improved by increasing homeownership opportunities for lower-income persons and families, in particular, those at or below 50% AMI.

Ensuring Continued Affordability:

The grantee will ensure the continued affordability of all NSP assisted housing, and subprime mortgage practices will be discouraged. New homebuyers will get eight hours of counseling from a HUD-approved counseling source. For homeownership projects, the City of Kokomo shall abide by HOME program standards at § 92.254, and may apply the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act (12 U.S.C. 1709 (b), which may be obtained from the HUD field office.

For any rental housing projects that may be developed, the City of Kokomo shall apply the HUD Fair Market Rent documentation system and ensure that all units remain affordable during the term of the financial assistance being provided. The use of deed restrictions or other covenants running with the land shall be the principle means by which this will be accomplished.

FY 2011 Fair Market Rents

Efficiency
One-Bedroom
Two-Bedroom
Three-Bedroom
Four-Bedroom
\$551



\$557
\$707
\$901
\$928

For all homeowner and rental projects (as applicable), the period of affordability will follow the HOME program standards as referenced above, which will be based on the amount of funds invested as follows:

Housing Activity

Minimum period of affordability

Acquisition and/or rehabilitation of existing housing per unit amount of NSP funds invested: Under \$15,000

5 Yrs

\$15,000 to \$40,000

10 Yrs

Over \$40,000 or rehabilitation involving refinancing

15 Yrs

Definition of Blighted Structure:

Blighted structure is discussed in the context of state and local law as an "unsafe building." City ordinance states: "Any building or structure which has any or all of the conditions or defects hereinafter described shall be deemed to be an "UNSAFE BUILDING", provided that such conditions or defects exist to the extent that life, health, property, or safety of the public or its occupants are endangered.

(1) Whenever any door, aisle, passageway, or other means of exit is not of sufficient width or size or is not so arranged as to provide safe and adequate means of exit in case of fire or panic.

(2) Whenever any building or structure has been constructed, exists, or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the building regulations of this city, or of any law or ordinance of this state or city relating to the condition, location, or structure of buildings.

(3) Whenever any building or structure which, whether or not erected in accordance with all applicable laws and ordinances has in any non-supporting part, member, or portion less than 50%, or in any supporting part, member, or portion less than 66% of the strength, fire-resisting qualities or characteristics, or weather-resisting qualities or characteristics required by law in the case of a newly constructed building of like area, height, and occupancy in the same location.

(4) Whenever a building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangements, inadequate light, air or sanitation facilities, or otherwise, is determined by the enforcement authority to be unsanitary, unfit for human habitation, or in such a condition that is likely to cause sickness or disease.

(5) Whenever any building or structure, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections, or heating apparatus, or other cause, is determined by the enforcement authority to be a fire hazard.

(6) Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned for a period in excess of six months so as to constitute such building or portion thereof an attractive nuisance or hazard to the public.

Definition of Affordable Rents:

The grantee has reviewed its current definition of "affordable rents" for the CDBG program and made slight modifications to ensure total compliance with the NSP program. The existing CDBG program definition has adopted the HUD Fair Market Rent documentation system, but had applied a specific three-year period of affordability. In order to ensure and maintain total compliance with the new NSP program, the grantee has expanded that definition to include the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

Housing Rehabilitation/New Construction Standards:

It is the policy of the City of Kokomo to include and promote improvements to the housing stock that increase energy efficiency, conservation, and/or provide a renewable energy source or sources. Energy Star rated and approved appliances and other building components (such as Energy Star approved double-pane, double-hung, tinted windows and "Greenguard"© insulation material) are already required in the City's existing rehabilitation programs, and will apply to NSP-3 assisted activities. Rehabilitation will be to the extent necessary to comply with applicable laws, codes and other requirements, including compliance with the Lead Safe Housing Rule.

By local ordinance, the City of Kokomo has adopted the following building codes for residential properties, which shall apply to all NSP assisted projects.

- 2009 International Residential Code for One and Two-Family Dwellings (effective in March, 2009)
- 2009 International Mechanical Code (effective in March, 2009)
- 2008 Indiana Building Code
- 2008 Indiana Mechanical Code
- 2008 Indiana Fuel Gas Code
- 2006 National Electrical Code
- 1999 Indiana Plumbing Code
- 1992 Indiana Energy Code



Vicinity Hiring:

Vicinity hiring will be a primary goal by NSP program design, as the City plans to extend an existing Contract with a Developer, who will help to identify properties, obtain site control and help manage all construction work, including the letting of bids and awarding as many subcontracts to local area firms as possible.

Procedures for Preferences for Affordable Rental Dev.:

Original Procedures for Development of the Affordable Rental Housing Preference:

Certain existing homes (either foreclosed or abandoned) were originally targeted for acquisition, rehabilitation and sale to investors or landlords. The plan originally included proposed Contract terms with a Developer to ensure that these homes, once rehabilitated, would be sold with the expressed purpose of renting to very-low-income households, and in accordance with the Fair Market Rent (FMR) system. This was the City's original strategy for meeting the "25% set-aside requirement" concerning benefit to persons and/or households with incomes at or below 50% AMI.

Revised Procedures concerning the Affordable Rental Housing Preference, per Substantial Amendment to 2010 Consolidate Plan: A follow-up amendment to the 2010 Consolidated Plan/Action Plan made 2 changes to the City of Kokomo's NSP3 program, described as follows:

1) Funds Transferred from Activity No. 3 to No. 2:

The activity described as "Acquisition, Rehabilitation and Sale of Housing Units (Renter-Occupied) has been discontinued. The original budget for this activity was \$252,853. These funds were transferred to Activity No. 2, "Acquisition, Rehabilitation and Sale of Housing Units (Owner-Occupied)" in order to pursue additional homeownership opportunities for persons with incomes below 50 percent of the area median income.

Explanation/Summary of Market Analysis:

In review of its program performance under the first Neighborhood Stabilization Program (NSP1 funds), the City of Kokomo was able to acquire, rehabilitate and sell 10 of 14 homes to persons or households with incomes at or below 50% of the area median income. The amount of funds expended for the benefit of this income group was approximately 68% of funds available, which far exceeded the "25% set-aside requirement" in the NSP guidelines. With its current standing as one of the nation's most affordable housing markets, the City has decided to pursue additional homeownership opportunities as a more feasible and desirable program strategy to meet the NSP income targeting requirements.

2) Activity No. 1 – Change in Program Description: - The City has deleted the activity name "Acquisition, New Construction and Sale of Housing Units" and has replaced it with the correct description, which is "Acquisition, Reconstruction and Sale of Housing Units." In addition, the target income group for this activity is hereby changed from LMMI (low to moderate to middle-income) to the "LM25" category. Total funds allocated to this activity are \$263,725. This amount is 26% of the total NSP3 funding allocation, which is designed to meet or exceed the "deep targeting" income requirement of the NSP regulations, which states that "no less than 25 percent of the funds shall be used to house individuals and families whose incomes do not exceed 50 percent of area median income."

Grantee Contact Information:

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Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Acquisition, Reconstruction and	1A	Act 1 Acquisition
		1B	Act 1 Demolition
		1C	Act 1 Reconstruction
2	Acquisition, Reconstruction and	2A	Act 2 Acquisition
		2B	Act 2 Reconstruction
3	Acquisition, Rehabilitation and	3A	Act 3 Acquisition
		3B	Act 3 Rehabilitation
4	Administration	4A	Act 4 ADMINISTRATION
9999	Restricted Balance		<i>No activities in this project</i>



Activities

Project # / 1 / Acquisition, Reconstruction and Sale of Housing Units

Grantee Activity Number: 1A
Activity Title: Act 1 Acquisition

Activity Type:
 Acquisition - general

Project Number:
 1

Projected Start Date:
 06/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

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

Benefit Report Type:
 Direct (Households)

Activity Status:

Completed

Project Title:

Acquisition, Reconstruction and Sale of

Projected End Date:

05/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 31,840.88

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 31,840.88

Proposed Beneficiaries

Owner Households

of Households

Total	Low	Mod	Low/Mod%
			0.0
			0.0

Proposed Accomplishments

of Singlefamily Units

of Housing Units

of Properties

Total
5
5
5



Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Kokomo2	Local Government	\$ 31,840.88

Location Description:

Kokomo NW-NSP3 target area.

Activity Description:

Acquisition of vacant lots or blighted residential structures targeted for demolition. These properties are targeted for reconstruction and resale to low- to middle-income homebuyers (120% AMI).

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 1B
Activity Title: Act 1 Demolition

Activity Type:
 Clearance and Demolition

Project Number:
 1

Projected Start Date:
 06/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

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

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed
Project Title:
 Acquisition, Reconstruction and Sale of
Projected End Date:
 05/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 16,876.80
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 16,876.80

Proposed Beneficiaries

of Households

Total	Low	Mod	Low/Mod%
			0.0

Proposed Accomplishments

of Singlefamily Units
 # of Housing Units
 # of Properties

Total
2
2
2

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization
 City of Kokomo2

Organization Type	Proposed Budget
Local Government	\$ 16,876.80

Location Description:

Kokomo NW-NSP3 target area.

Activity Description:

Demolition and clearance of NSP3 target area properties. It is expected that these projects will result in reconstruction of housing, which will then be sold to low- to middle-households (120% AMI).

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 1C
Activity Title: Act 1 Reconstruction

Activity Type:
 Construction of new housing

Project Number:
 1

Projected Start Date:
 06/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

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

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Acquisition, Reconstruction and Sale of

Projected End Date:
 08/09/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 892,445.01

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 892,445.01

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	5		5	100.00
# of Households	5		5	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	6
# of Housing Units	6
#Sites re-used	6

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Kokomo2	Local Government	\$ 892,445.01

Location Description:

Kokomo NSP3 target area.

Activity Description:

Reconstruction of single-family homes for sale to qualifying low- to middle-income homebuyers (120% AMI).

Environmental Assessment: COMPLETED

Environmental None

Project # / 2 / Acquisition, Reconstruction and Sale of Housing Units

Grantee Activity Number: 2A
Activity Title: Act 2 Acquisition

Activity Type:
Acquisition - general

Project Number:
2

Projected Start Date:
06/01/2011

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

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

Benefit Report Type:
Direct (Households)

Activity Status:
Completed

Project Title:
Acquisition, Reconstruction and Sale of

Projected End Date:
05/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 29,615.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 29,615.00

Proposed Beneficiaries **Total** **Low** **Mod** **Low/Mod%**



# Owner Households	0.0
# of Households	0.0

Proposed Accomplishments	Total
# of Singlefamily Units	2
# of Housing Units	2
# of Parcels acquired voluntarily	2
# of Properties	2

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Kokomo2	Local Government	\$ 29,615.00

Location Description:

Kokomo NW-NSP3 target area.

Activity Description:

Acquisition of single-family homes targeted for rehabilitation and resale to low- to middle-income households.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 2B
Activity Title: Act 2 Reconstruction

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 2

Projected Start Date:
 06/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

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

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Acquisition, Reconstruction and Sale of

Projected End Date:
 05/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 294,911.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 294,911.00

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	2	2		100.00
# of Households	2	2		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	2
# of Housing Units	2
#Sites re-used	2
# of Properties	2

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Kokomo2	Local Government	\$ 323,666.02

Location Description:

Kokomo NW-NSP3 target area.

Activity Description:

Reconstruction of single-family homes on vacant lots, for resale to low-income homebuyers (50%AMI)

Environmental Assessment: COMPLETED

Environmental None

Project # / 3 / Acquisition, Rehabilitation and Sale of Housing Units

Grantee Activity Number: 3A
Activity Title: Act 3 Acquisition

Activity Type:
Acquisition - general

Project Number:
3

Projected Start Date:
06/01/2011

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

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

Benefit Report Type:
Direct (Households)

Activity Status:
Cancelled

Project Title:
Acquisition, Rehabilitation and Sale of

Projected End Date:
05/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 0.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 0.00



Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households				0.0
# of Households				0.0

Proposed Accomplishments	Total
# of Singlefamily Units	
# of Housing Units	
# of Properties	

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Kokomo2	Local Government	\$ 0.00

Location Description:

Kokomo NW-NSP3 target area.

Activity Description:

Acquisition of single-family homes targeted for rehabilitation and sale to investors/landlords for rent to very low-income. NOTE...This activity has been cancelled per Action Plan amendment. Funds have been transferred to Project 2 / Activities 2A and 2B.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 3B
Activity Title: Act 3 Rehabilitation

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 3

Projected Start Date:
 06/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

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

Benefit Report Type:
 Direct (Households)

Activity Status:
 Cancelled

Project Title:
 Acquisition, Rehabilitation and Sale of

Projected End Date:
 05/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 0.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 0.00

Proposed Beneficiaries

Renter Households

of Households

Total	Low	Mod	Low/Mod%
			0.0
			0.0

Proposed Accomplishments

of Singlefamily Units

of Housing Units

Total

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization
 City of Kokomo2

Organization Type	Proposed Budget
Local Government	\$ 0.00



Location Description:

Kokomo NW-NSP3 target area.

Activity Description:

Rehabilitation of single-family homes targeted for resale to investors/landlords who will be under Contract to rent to very-low-income households at Fair Market Rents (FMRs). NOTE...this activity has been cancelled. Funds have been transferred to Project 2 / Activities 2A and 2B.

Environmental Assessment: COMPLETED

Environmental None

Project # / 4 / Administration

Grantee Activity Number: 4A
Activity Title: Act 4 ADMINISTRATION

Activity Type:

Administration

Project Number:

4

Projected Start Date:

04/13/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

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

Benefit Report Type:

NA

Activity Status:

Completed

Project Title:

Administration

Projected End Date:

05/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 59,938.93

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 59,938.93



Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Kokomo2

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Kokomo2	Local Government	\$ 59,938.93

Location Description:

City of Kokomo, NW-NSP3 target area.

Activity Description:

Administration, management and supervision of the NSP3 program.

Environmental Assessment: EXEMPT

Environmental None

Action Plan Comments:

Reviewer - Reviewed and approved - HAJ

Almodovar, L.Almodovar: Rejected due to need for information on the intended revisions. LA

Almodovar, Reviewer Letty Almodovar - Rejected due to the need for corrections on information provided. LA

Almodovar, Reviewer L. Almodovar - reviewed & approved. LA

Madyun, Grantee reports the following changes:

Account Number	Description
NSP3-1A (Acquisition)	Budget was increased from 20,000 to 57,500
NSP3-1B (Demolition)	Budget was decreased from 20,000 to 12,500



NSP3-1C (Reconstruction)	No change in budget to date
NSP3-2A (Acquisition)	Budget was decreased from \$100,000 to 70,000
NSP3-2B (Rehabilitation)	No change in budget to date

EM

Madyun, Reviewed and approved. EM

DORGAN, Program Income was received from home sale at 620 W. North Street. Proceeds were in the amount of \$49,186.31. Activity budget was changed as follows: Project 1 and Activity 1C were both increased by \$46,094.83 and Project 4 and Activity 4A (Admin) was increased by \$3,091.48. Reviewed and approved. LA 6-30-14

Bailey, AB - reviewed and approved as part of data clean-up.

Bailey, AB - reviewed and approved. Minor changes in preparation of QPR.

Action Plan History

Version	Date
B-11-MN-18-0008 AP#1	04/19/2011
B-11-MN-18-0008 AP#2	04/25/2012
B-11-MN-18-0008 AP#3	01/30/2013
B-11-MN-18-0008 AP#4	03/07/2013
B-11-MN-18-0008 AP#5	11/05/2013
B-11-MN-18-0008 AP#6	11/26/2013
B-11-MN-18-0008 AP#7	12/30/2013
B-11-MN-18-0008 AP#8	01/15/2014
B-11-MN-18-0008 AP#9	02/28/2014
B-11-MN-18-0008 AP#10	04/01/2014
B-11-MN-18-0008 AP#11	06/30/2014
B-11-MN-18-0008 AP#12	07/29/2014
B-11-MN-18-0008 AP#13	09/29/2014
B-11-MN-18-0008 AP#14	10/30/2014
B-11-MN-18-0008 AP#15	04/07/2017
B-11-MN-18-0008 AP#16	09/14/2017
B-11-MN-18-0008 AP#17	05/07/2018



B-11-MN-18-0008 AP#18

12/20/2019

B-11-MN-18-0008 AP#19

10/07/2020

