

# Action Plan

## Grantee: Montgomery County, OH

### Grant: B-11-UN-39-0006

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<b>LOCCS Authorized Amount:</b>	\$ 1,145,712.00
<b>Grant Award Amount:</b>	\$ 1,145,712.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 4,320.00
<b>Total Budget:</b>	\$ 1,150,032.00

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### Funding Sources

**No Funding Sources Found**

### Narratives

#### Summary of Distribution and Uses of NSP Funds:

Montgomery County Community Development has identified twelve census tracts for the Neighborhood Stabilization 3 Program (NSP3). The census tracts are located within three Montgomery County jurisdictions, the City of Trotwood, Jefferson Township and Harrison Township. NSP3 data provided by HUD, along with population, household income, and housing unit data analyzed by Gem Public Sector Services, reveal long-term declines in the numbers of people and households. The data also reveals a likelihood of increased vacancies and/or foreclosures over the next three years in each of the target areas. This decline has led Montgomery County to explore the revitalization of targeted housing units coupled with demolition of excess housing units as a step toward stabilizing housing markets in the target areas.

Areas of greatest need were established based upon, an NSP3 need score of no less than 18. Montgomery County also considered the number of properties that need to be addressed in order to make an impact in the target area, as well as the location of current NSP1 & 2 activities.

The areas of greatest were determined to be: Jefferson Township, census tracts: 601, 602, 603; Harrison Township, census tracts: 801, 803, 804;

The City of Trotwood 701.02, 702.01, 702.02, 703, 704, 705.

Montgomery County, Ohio proposes to use NSP3 funds as follows:

-10% admin , \$114,571.20

-25% requirement project with CountyCorp & Improved Solutions for Urban Systems \$440,000 with a unit goal of 4

-Demolition \$250,000, with a unit goal of 30-35

-Use B Acquisition/Rehabilitation/Resale through CountyCorp \$341,140.80 with a unit goal of 3

Demolition Target Areas: Demolition census tracts were identified based upon NSP3 data released by HUD. Each census tract eligible for demolition in Montgomery County has a NSP3 need score of 18 or higher as well as, 40 or more vacant houses or a vacancy rate of 10% or higher. The demolition census tracts include: Jefferson Township: 601, 602, 603; City of Trotwood: 701.02, 702.01, 702.02, 703, 704, 705 and 707; and Harrison Township: 801, 803, 804, 805, 806 and 807.

Acquisition/Rehab/Resale Target Areas: The acquisition/rehab/resale census tracts were identified based upon NSP3 data released by HUD and current NSP activities. Each census tract eligible for acquisition/rehabilitation in Montgomery County has a NSP3 need score of 18 or higher. The census tracts include: Trotwood: 704 and 705; Harrison, 801.

#### How Fund Use Addresses Market Conditions:

Montgomery County Community Development has identified twelve census tracts for the Neighborhood Stabilization 3 Program (NSP3). The census tracts are located within three Montgomery County jurisdictions, the City of Trotwood, Jefferson Township and Harrison Township. NSP3 data provided by HUD, along with population, household income, and housing unit data analyzed by Gem Public Sector Services, reveal long-term declines in the numbers of people and households. The data



also reveals a likelihood of increased vacancies and/or foreclosures over the next three years in each of the target areas. This decline has led Montgomery County to explore the revitalization of targeted housing units coupled with demolition of excess housing units as a step toward stabilizing housing markets in the target areas.

### **Ensuring Continued Affordability:**

Montgomery County will ensure continued affordability through deed restrictions and specific language regarding affordability in the grant/loan note. If multi-family rental units are purchased using NSP funds and then conveyed to a non-profit organization, affordability language will be included in the agreement and deed restrictions will be required. In most instances, the clientele being served by a partner non-profit organization will meet the income guidelines for lower rents. Many funding sources, such as low income housing tax credits, require that affordability be maintained for 15 years, following the compliance period, the owner must enter into an extended use period of an additional 15 years by filing a Restrictive Covenant on the development with the County Recorder.

### **Definition of Blighted Structure:**

Blighted structure- a property in Montgomery County can be considered blighted if the following conditions are in place. This definition of a blighted structure was taken from Ohio Revised Code, General Chapter 1.08, with the effective date of 10-10-2007: 2007 SB7. As used in the Revised Code: (A) "Blighted area" and "slum" mean an area in which at least seventy per cent of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use. (B) "Blighted parcel" means either of the following:(1) A parcel that has one or more of the following conditions:(a) A structure that is dilapidated, unsanitary, unsafe, or vermin infested and that because of its condition has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;(b) The property poses a direct threat to public health or safety in its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination;(c) Tax or special assessment delinquencies exceeding the fair value of the land that remain unpaid thirty-five days after notice to pay has been mailed. (2) A parcel that has two or more of the following conditions that, collectively considered, adversely affect surrounding or community property values or entail land use relationships that cannot reasonably be corrected through existing zoning codes or other land use regulations:(a) Dilapidation and deterioration;(b) Age and obsolescence;(c) Inadequate provision for ventilation, light, air, sanitation, or open spaces;(d) Unsafe and unsanitary conditions;(e) Hazards that endanger lives or properties by fire or other causes;(f) Noncompliance with building, housing, or other codes;(g) Nonworking or disconnected utilities;(h) Is vacant or contains an abandoned structure;(i) Excessive dwelling unit density;(j) Is located in an area of defective or inadequate street layout;(k) Overcrowding of buildings on the land;(l) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;(m) Vermin infestation;(n) Extensive damage or destruction caused by a major disaster when the damage has not been remediated within a reasonable time;(o) Identified hazards to health and safety that are conducive to ill health, transmission of disease, juvenile delinquency, or crime;(p) Ownership or multiple ownership of a single parcel when the owner, or a majority of the owners of a parcel in the case of multiple ownership, cannot be located. (C) When determining whether a property is a blighted parcel or whether an area is a blighted area or slum for the purposes of this section, no person shall consider whether there is a comparatively better use for any premises, property, structure, area, or portion of an area, or whether the property could generate more tax revenues if put to another use. (D) (1) Notwithstanding any other provision of this section, absent any environmental or public health hazard that cannot be corrected under its current use or ownership, a property is not a blighted parcel because of any condition listed in division (B) of this section if the condition is consistent with conditions that are normally incident to generally accepted agricultural practices and the land is used for agricultural purposes as defined in section 303.01 or 519.01 of the Revised Code, or the county auditor of the county in which the land is located has determined under section 5713.31 of the Revised Code that the land is "land devoted exclusively to agricultural use" as defined in section 5713.30 of the Revised Code.(2) A property that under division (D) (1) of this section is not

### **Definition of Affordable Rents:**

Montgomery County defines affordable rents as households paying no more than 30% of their income for rent, not to exceed fair market rents. In many cases, this is substantially less than fair market rents and the low HOME rent limit.

### **Housing Rehabilitation/New Construction Standards:**

Montgomery County will utilize rehabilitation standards that comply with local applicable laws, codes and other requirements relating to housing safety, quality and habitability. It is anticipated that FHA will provide a substantial portion of the mortgages to qualified homebuyers, so rehabilitation standards should also meet FHA standards. Properties will be inspected and items addressed (where applicable) using the Uniform Physical Condition Standards.

Montgomery County is advancing affordable housing beyond the traditional limits of a purchase price or percentage of income. Montgomery County defines affordable housing as housing that is affordable to purchase, operate, and maintain. NSP beneficiaries will enjoy an energy efficient, water efficient, and material efficient home. All rehabilitation will be Energy Star rated homes. Montgomery County has established the following GREEN BY DESIGN guidelines: (all specifications and product recommendations will come from the Energy Star website at [www.energystar.gov](http://www.energystar.gov))

- ENERGY STAR Windows
- ENERGY STAR Furnace and Air Conditioning
- Programmable Thermostat
- Energy Efficient Lighting Package, compact fluorescent lights (CFL's) use 75% less energy than incandescent lights, Montgomery County proposes to install CFL's in the fixtures used most often, use T-8 bulbs in all fluorescent fixtures
- ENERGY STAR Rated Appliances and Water Heaters
- Eco-Friendly Flooring, Montgomery County will consider carpet that is made from recycled material and is recyclable
- Properly Installed Insulation In the Attic, Walls, and Crawl Space; attics to R-38; walls to R-13; crawl spaces to R-19.
- Sealing of Duct Work
- Caulking and Weather Stripping of Windows, Doors, & Outlets



- Use of Low VOC Paints, Caulks, Sealants, & Adhesives
- Water Conservation

Additionally, de-construction efforts will be utilized to prepare acquired properties for rehabilitation.

**Vicinity Hiring:**

Sub-recipients awarded NSP3 funding will be required to comply with Section3 regulations at 24 CFR 135 and, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects, as defined by the Secretary of the U.S. Department of Housing and Urban Development. Language regarding this requirement will be integrated into all sub-recipient agreements. Sub-recipients will be required to include such language in their contracts.

**Procedures for Preferences for Affordable Rental Dev.:**

Montgomery County intends to produce 7 NSP3 units for disposition, of those units 4 of them be designed to have a preference for affordable rental. Those 4 units will be developed under the 25% requirement activity. Montgomery County finds this design necessary to accommodate the tightening lending requirements which make it difficult to produce affordable units for homeownership. Additionally, the neighborhoods targeted for NSP3 assistance have seen limited home sales in recent years.

**Grantee Contact Information:**

Name (Last, First) Jones, Tawana  
 Email Address jonest@mcoho.org Phone Number 937-225-5704  
 Mailing Address 451 West Third St. Dayton, OH 45422

**Project Summary**

Project #	Project Title	Grantee Activity #	Activity Title	Grantee Program
217697-Adm	Administration	217697-Adm	Administration	
217697-Demo	Demolition	217697-Demo	Demolition	
217698-9 -	Use B & E	217698- CC purchase/rehab	CountyCorp purchase/rehab	
		217699-low income targeting	County Corp Low-Income Targeting	
9999	Restricted Balance	<i>No activities in this project</i>		



# Activities

**Project # /** 217697-Adm / Administration

**Grantee Activity Number:** 217697-Adm

**Activity Title:** Administration

**Activity Type:**

Administration

**Project Number:**

217697-Adm

**Projected Start Date:**

03/04/2011

**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:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

06/30/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 107,175.57

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 107,175.57

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

**Responsible Organization**

Montgomery County

**Organization Type**

Unknown

**Proposed Budget**

\$ 107,175.57

**Location Description:**

Montgomery County, Ohio, NSP3 target areas

**Activity Description:**

All administrative activities and pre-award costs, not including activity delivery costs.



**Environmental Assessment:** EXEMPT

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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**Project # /** 217697-Demo / Demolition



## Grantee Activity Number: 217697-Demo

### Activity Title: Demolition

**Activity Type:**

Clearance and Demolition

**Project Number:**

217697-Demo

**Projected Start Date:**

03/04/2011

**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:**

Area Benefit (Census)

**Activity Status:**

Completed

**Project Title:**

Demolition

**Projected End Date:**

06/30/2014

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:****Total Budget:** \$ 249,999.80**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 249,999.80**Proposed Accomplishments**

# of Singlefamily Units

**Total**

42

# of Housing Units

42

# of Properties

42

**LMI%:**

50.45

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

Montgomery County

**Organization Type**

Unknown

**Proposed Budget**

\$ 249,999.80

**Location Description:**

Demolition activities may occur within the designated NSP3 eligible areas. Concentrated demolition activity will occur in areas considered to be more distressed, such as census tracts, 602, 603, 701.02, 702.01, 702.02, 703, 801, 803 and 804. Selective demolition of blighted structures will be used to support stabilization efforts in the areas where the housing markets remain potentially viable, such as 601, 704 and 705.

**Activity Description:**

Demolition will be conducted in a manner that supports other neighborhood stabilization strategies in key ways:

1. Supporting concentrated re-investment strategies in combination with acquisition and rehabilitation activities.
2. Removing blighted, vacant structures in order to eliminate health and safety risks; and to increase the



stability of distressed neighborhoods.

3. Supporting the housing market in relatively stable areas by selectively eliminating properties that cannot be rehabilitated.

In all instances, the target areas will be based upon HUD data; particularly where vacancies are high, the likelihood of increased foreclosures are high; and the structures are beyond reasonable repair and habitation.

The expected benefit to specific target areas is that 30-35 blighted structures will be removed creating green space, safe cleared lots, and the elimination of locations which attract undesirable/unlawful activities. Rather than solely focusing on neighborhoods at or below 120% AMI it is more likely that funds used for this activity will be used in devastated neighborhoods that meet the low income requirement for those below 80% of area median income.

In order to strategically carryout demolition activities, Montgomery County requests a waiver to use 21.8% of its NSP3 allocation for demolition activities. The areas in which Montgomery County will focus demolition activities are plagued with high vacancy rates and have a high risk of future foreclosures.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

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**Project # / 217698-9 -purchase/rehab / Use B & E**



## Grantee Activity Number: 217698- CC purchase/rehab

### Activity Title: CountyCorp purchase/rehab

**Activity Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

217698-9 -purchase/rehab

**Projected Start Date:**

03/04/2011

**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:**

Use B & E

**Projected End Date:**

06/30/2014

**Project Draw Block Date by HUD:****Activity Draw Block Date by HUD:**

**Total Budget:** \$ 345,460.95

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 345,460.95

**Program Income Account:**

CountyCorp Acq/Rehab PI

**Proposed Beneficiaries**

# Renter Households

Total	Low	Mod	Low/Mod%
3		1	33.33
3		1	33.33

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

#Units with other green

#Units deconstructed

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

#Low flow toilets

#Dishwashers replaced

#Clothes washers replaced

#Refrigerators replaced

#Light fixtures (outdoors) replaced

#Light Fixtures (indoors) replaced

#Replaced hot water heaters

**Total**

3

3

3

3

3

3

3

3

3

3

3

3

3

3

3





#Replaced thermostats	3
#Efficient AC added/replaced	3
#Additional Attic/Roof Insulation	3
#Energy Star Replacement Windows	3
# of Properties	3

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

Responsible Organization	Organization Type	Proposed Budget
CountyCorp	Unknown	\$ 345,460.95

**Location Description:**

Harrison Township, OH, Fort McKinley, census tract 801  
Trotwood, OH, census tracts 704 or 705

**Activity Description:**

Montgomery County will improve the identified target areas by purchasing vacant, foreclosed houses, completing rehabilitation, and disposing of the houses to low moderate middle income households.

Tenure of beneficiaries—rental, lease/purchase or homeownership.

Financing, including interest rates and duration:

Under this activity, affordability gap financing is available for qualified buyers.

Montgomery County’s NSP Financing is coordinated by County Corp (with its NSP lending partner Wright Patt Credit Union), consists of 3 components:

1. The first is a 10% equity contribution in the form of a second mortgage at 0% interest and no monthly payments. The average amount will range from \$8,500 to \$10,000. Upon living in the home for 5 years, one half of the second mortgage is forgiven. The balance of the loan is repaid when the home-owner no longer resides in the home as their principal residence. With a loan-to-value of 90% (which is before the buyer’s contribution), the equity contribution reduces the risk to the lender. The buyer benefits from the equity contribution as a silent second mortgage, providing lower monthly payments on their first mortgage. In addition, following the 5 year affordability period, the homeowner will have 50% of the 10% equity contribution forgiven. If property values continue to decline in Montgomery County, the entire amount of the NSP equity contribution may be forgiven (following the 5 year affordability period).

2. The second NSP financing mechanism is a 5% loan guarantee. The amount will range from \$4,000 to \$5,000 per loan and only for those buyers who have point scores from 630 to 680. Above a 680 point score, no guarantee is required. This will enable more buyers to qualify for a loan.

3. The third NSP financing option will allow CountyCorp to pay closing costs on behalf of the buyer. The amount will be negotiated, but not to exceed 4% of the purchase price or \$4,000, whichever is greater.

Montgomery County’s NSP Homebuyer Program requires that the homebuyer contribute the greater of 1% of the purchase price or \$1,000. The loans must be 30 year fixed.

The 3 financing incentives create a package that is attractive to buyers and provides an increased comfort level to lenders in a very uncertain time. Without NSP a homebuyer would need a 700+ point score, 10% down payment, and several thousand for closing costs and reserves. The NSP financing is promoted along with the Federal Tax Credit and/or the Ohio Housing Finance Agency’s Homebuyer Program.

**Continued Affordability**

For homebuyers, Montgomery County will ensure continued affordability through deed restrictions and specific language regarding affordability in the grant/loan note. For qualified renters, the initial affordability has been defined in Section 3. The rents will remain affordable for renters for as long as they income qualify.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None



**Environmental Reviews:** None

**Activity Supporting Documents:** None

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# Grantee Activity Number: 217699-low income targeting

## Activity Title: County Corp Low-Income Targeting

### Activity Type:

Rehabilitation/reconstruction of residential structures

### Project Number:

217698-9 -purchase/rehab

### Projected Start Date:

04/01/2011

### 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:

Use B & E

### Projected End Date:

01/31/2019

### Project Draw Block Date by HUD:

### Activity Draw Block Date by HUD:

**Total Budget:** \$ 440,000.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 440,000.00

### Program Income Account:

CountyCorp Acq/Rehab PI

### Proposed Beneficiaries

# Renter Households

Total	Low	Mod	Low/Mod%
4	4		100.00
4	4		100.00

# of Households

### Proposed Accomplishments

# of Singlefamily Units

# of Housing Units

# ELI Households (0-30% AMI)

#Units with other green

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

#Low flow toilets

#Dishwashers replaced

#Clothes washers replaced

#Refrigerators replaced

#Light fixtures (outdoors) replaced

#Light Fixtures (indoors) replaced

#Replaced hot water heaters



#Replaced thermostats	4
#Efficient AC added/replaced	4
#Additional Attic/Roof Insulation	4
#Energy Star Replacement Windows	4
# of Properties	4

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

Responsible Organization	Organization Type	Proposed Budget
CountyCorp	Unknown	\$ 440,000.00

**Location Description:**

Harrison Township, Ohio, Fort McKinley Neighborhood, census tract 801

**Activity Description:**

Montgomery County, through its nonprofit developer, County Corp, will construct four -single family rental homes for families at or below 50% of the area median income. These homes will be developed using energy efficient technology in order to increase affordability to low income families.

CountyCorp will partner with Improved Solutions for Urban Systems (ISUS), which is an alternative education program for at risk youth. ISUS will conduct a YouthBuild project for this activity. This project will assist in keeping approximately 40 youth in school.

This activity will also complement current efforts to stabilize Ft. McKinley, a target area (census tract 801) located within Harrison Township. Montgomery County has committed \$1 million dollars of NSP2 funds to fill the gap for a tax credit project consisting of 30 homes for low income families. Montgomery County has also demolished several vacant/foreclosed properties using NSP1 funds in the same target area.

**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None

**Activity Attributes:** None

**Activity Supporting Documents:** None

**Action Plan Comments:**

Darton, Kyle Grantee's action plan submission was reviewed using the NSP application checklist to verify information. DRGR Action Plan is consistent with paper submission. Submission found to be acceptable. - KD 6.7.11

Reviewer - Concurrence with Reviewer's comments and we recommend plan approval: RTH 6/7/11

Darton, Kyle Grantee added program income estimates to action plan. Changes acceptable. -KD 2.9.12

Reviewer - Recommend Approval. RTH 2/10/12

White, Brian Rejecting the plan because the demolition budget is over the accepted demolition waiver of \$250,000. BW 11/1/16



- White, Brian Montgomery County has their demolition activity set below the \$250,000 demo waiver. No other issues were found. Recommend Approval. BW 11/16/16
- White, Brian Montgomery County submitted plan, on 2/17/17. In reviewing the previous submitted plan, it appears their is not any additional changes. Admin is under 10% cap and demo is under the amount approved in their waiver. Recommend Approval. BQ 2/21/17
- White, Brian Montgomery County changed some of the narrative in their definition of blighted structures. No issues found. Recommend Approval. BW 2/1/18
- White, Brian Marked activity as completed. No other issues found. Recommend Approval. BW 11/28/18
- White, Brian Changes made to the action plan were marking a couple activities as completed. No issues found in the review of the plan. Recommend Approval. BW 5/3/21

## Action Plan History

Version	Date
B-11-UN-39-0006 AP#7	05/03/2021
B-11-UN-39-0006 AP#6	11/28/2018
B-11-UN-39-0006 AP#5	02/01/2018
B-11-UN-39-0006 AP#4	02/21/2017
B-11-UN-39-0006 AP#3	11/16/2016
B-11-UN-39-0006 AP#2	02/10/2012
B-11-UN-39-0006 AP#1	06/07/2011

