

Grantee: Canton, OH

Grant: B-08-MN-39-0002

July 1, 2021 thru September 30, 2021 Performance

Grant Number:

B-08-MN-39-0002

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

Canton, OH

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

Reviewed and Approved

Grant Award Amount:

\$3,678,562.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

LOCCS Authorized Amount:

\$3,678,562.00

Estimated PI/RL Funds:

\$186,322.93

Total Budget:

\$3,864,884.93

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

Canton, Ohio, Home of the Pro Football Hall of Fame, President McKinley and the First Ladies National Historic Site, is rich in historic architecture and is highly served in the areas of higher education, roadway and rail. As recent as 1990, Canton's population was over 84,000 (City of Canton, Ohio: Demographic Trends). A shift in the manufacturing industry caused a population decrease. In 2000, The US census showed that the population was 80,806 with 32,489 households and 19,785 families. Due to the loss of jobs from two of its major anchors employers, The Timken Company and The Hoover Factory, the city's population has been impacted negatively as the 2004 census shows the population at just over 78,000. The City's housing stock is composed heavily of homes built pre-1940. The homes were built to accommodate large and often extended families. The average home is about 3,500 square feet. With the decrease in family size, these homes were converted to multifamily units saturating the city with rental properties. These units also represented a challenge as it resulted in an influx in vacant homes. With the rise in utility costs and a failing real estate market, these homes added to the already high abandonment numbers. With 12 neighborhoods, (Wells, Summit, West Park, Ridgewood, Harter Heights, Ridgewood, Crystal Park, Belden, Washington, Lathrup, Market Heights and Eastpointe) the community continues to fight against the decline in housing stock as vacancies, dilapidation, crime and foreclosure continues to plague the city. The foreclosure crisis hit the City of Canton very hard. The city ranks number 7 in the state and in 2006 ranked number 9 in the top 10 metropolitan foreclosure rate listing (realtytrac.com). With an estimated 40,000 parcels, Canton has over 2800 foreclosures and over 2800 vacant and abandoned properties. Over 10% of the City's housing stock is affected by vacant, abandoned and foreclosed properties. This represents an apparent need for revitalization and innovative strategy to address the issues at hand.

Distribution and Uses of Funds:

As a requirement of Section 2301(c)(2) of the Housing and Economic Recovery Act, the city is required to utilize funding in the areas with the greatest percentage of home foreclosure, the areas with the highest percentages of sub prime mortgages and the area that is likely to face a rise in foreclosure.

The city will comply with the requirement of benefiting individuals and households at or below 120% of the area median income. Also 25% of the allocation will be used to benefit individuals or households below or at 50% of the area median income.

The city will use a targeted approach to address foreclosed parcels of land and properties in the areas heavily affected by the highest percentage of foreclosures, highest percentage of homes financed by sub prime mortgages and in areas that are likely to face a significant rise in foreclosure. The goal will be to return vacant property to viable parcels of land, revitalize the community through redevelopment and rehabilitation and provide home ownership mechanisms to impel neighborhood growth. All recipients will receive at least eight hours of counseling as provided by HERA.

To achieve these goals the city will use funds in the following areas and include administration costs:

Demolition

Acquisition and Rehabilitation

Acquisition and Redevelopment

Down Payment assistance (incorporated in the above 2 activities)

Counseling (incorporated in the administration budget)

ADMINISTRATION

The city will utilize the maximum allowable amount for administration costs. The city will collaborate with community partners to expedite its plan. The city will work with nonprofit organizations, for profit organizations, developers, realtors, local businesses, foundations and CHDOs (Community Housing Development Organizations). The city will use these dollars to develop a comprehensive plan and implement program activities that are conducive to neighborhood and social reform, leverage activities such as social services activities, financial literacy and home maintenance.

LAND BANK-ACQUISITION



In this revision of the NSP Substantial Amendment, the city has deleted the land-banking activity in order to emphasize rehabilitation and redevelopment of existing properties and demolition, in order to stabilize existing residential neighborhoods.

DEMOLITION

The city will utilize NSP funds to aggressively demolish vacant, blighted and abandoned properties in the NSP target areas.

REHABILITATION AND REDEVELOPMENT

The city, through awards to developers, will carry out acquisition and rehabilitation of foreclosed and abandoned properties for sale, lease-purchase arrangements and/or rental to income qualified households. Also to be addressed will be qualified vacant structures and vacant lots that will be rehabilitated or redeveloped via new construction. These activities will focus on specific strategic focal areas within the larger NSP target areas, investing in groups of properties that will have a significant impact on neighborhood stability. This program component will focus on lead based paint requirements, code enforcement and will include design standards that will encourage increase property values. Home buyers will receive deferred payment second mortgages and modest amounts of cash down payment assistance. Homebuyers will

Distribution and and Uses of Funds:

attend a minimum of eight hours of counseling including not limited to home maintenance and financial literacy.

Definitions and Descriptions:

The city will utilize the definition in section 1.08 of the Ohio Revised Code: A. "Blighted areas "and "slum" mean an area in which seventy percent 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 remains 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's

Definitions and Descriptions:

f 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 a blighted parcel shall not be included in a blighted area or slum. Effective Date: 2007 SB7 10-10-2007

Low Income Targeting:

The City of Canton will comply with Section 2301 (f) (3) (A) (ii) requiring 25% of the city's allocation to benefit low income families with income at 50% of the area median income. The city will utilize these funds to purchase and redevelop abandoned and foreclosed homes and expect to produce approximately 10 to 12 rental or for-sale housing units specifically for this class.

The city will meet this requirement by providing funding for rental or for-sale housing restricted to households with incomes at or below 50% of AMI. Affordability will be maintained through affordability guidelines as described herein. The NSP developers and the city will work in conjunction with HUD approved counseling agencies to identify homebuyer clients. The counseling agency will then prepare them for homeownership by providing financial literacy courses to support home ownership.

Definitions and Descriptions, cont.

Affordable rents will be defined as:

For units that are set aside for households with incomes at or below 50% Area Median Income, the maximum rent charged will be the Low HOME Rent as determined by HUD adjusted for any tenant-paid utilities.

For units occupied by households with incomes from 51% to 80% Area Median Income, the maximum rent charged will be the High HOME Rent as determined by HUD adjusted for any tenant-paid utilities.

For units occupied by households with incomes from 81% to 120% Area Median Income, the maximum rent charged will be the High HOME Rent as determined by HUD adjusted for any tenant-paid utilities.

The city will ensure affordability will be met by the resale or recapture provision provided in HOME. The Housing Economic Recovery act provides direction as to the requirements of protecting affordability. Deed restrictions and or security instruments will be recorded to protect the integrity of HOME rules. The properties will be subject to subsidy recapture for no less than 5 years for a subsidy under \$15,000, for 10 years for a subsidy from \$15,000 to \$40,000, and 15 years for a subsidy over \$40,000.

Acquisition and Relocation:

The city does not expect to convert any units with NSP funds. The city intends to demolish units but all structures will be non-federally-assisted, vacant, blighted and uninhabitable and thus unavailable to low- and moderate-income households. The city will collaborate with community partners in assisting in targeting structures eligible for demolition.

The city anticipates demolishing over 150 blighted properties with NSP funds. The goal is to ensure public health and safety and prevent further deterioration of neighborhoods.



Public Comment:

No public comments were received from our website posting, regular mail or email directed to the Department of Development, or at Canton City Council meeting at the Public Speaks portion.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$3,830,117.80
Total Budget	\$0.00	\$3,830,117.80
Total Obligated	\$0.00	\$3,864,884.93
Total Funds Drawdown	\$0.00	\$3,830,117.80
Program Funds Drawdown	\$0.00	\$3,678,562.00
Program Income Drawdown	\$0.00	\$151,555.80
Program Income Received	\$0.00	\$186,322.93
Total Funds Expended	\$0.00	\$3,830,117.80
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
City of Canton	\$ 0.00	\$ 3,830,117.80

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$3,481,128.49	\$.00	\$.00
Limit on Public Services	\$551,784.30	\$.00	\$.00
Limit on Admin/Planning	\$367,856.20	\$383,408.29	\$383,408.29
Limit on Admin	\$.00	\$383,408.29	\$383,408.29
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$966,221.23		\$1,416,737.16

Overall Progress Narrative:

The last QPR submitted was for the period ending March 31, 2020. Updated information will be provided in the December 2021 QPR.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
DELETED-ACTIVITIES, DELETED-ACTIVITIES (Temporary)	\$0.00	\$0.00	\$0.00
NSP-Admin, Administration	\$0.00	\$383,408.29	\$350,112.34
NSP-B-1, Acquisition, Rehab, & Redevelopment	\$0.00	\$1,013,313.74	\$938,721.02



NSP-B-2 25%, Acquisition, Rehab, and Redevelopment	\$0.00	\$933,419.11	\$886,097.48
NSP-D-1, Demolition	\$0.00	\$1,051,425.74	\$1,043,664.78
NSP-E, Redevelopment	\$0.00	\$483,318.05	\$459,966.38

