Grantee: Dayton, OH

Grant: B-09-CN-OH-0029

July 1, 2020 thru September 30, 2020 Performance Report

Grant Number:
B-09-CN-OH-0029

Obligation Date:

Award Date:
02/11/2010

Grantee Name:
Dayton, OH

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$29,363,660.00

Grant Status:
Active

QPR Contact:
Erin Jeffries

LOCCS Authorized Amount:
$29,363,660.00

Estimated PI/RL Funds:
$6,000,000.00

Total Budget:
$35,363,660.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Executive Summary:

NSP2 requires that the funding and activities must make a tangible impact within the selected target areas. Staff analyzed eligible census tracts and the potential of acquiring foreclosed properties to stabilize the neighborhood and increase the health of the housing market within these target areas. The result is to narrow the NSP1 target geography for the NSP2 program. Through analysis, the Consortium believes that the program outlined in this application will make a significant improvement to the stability and marketability of the targeted neighborhoods. Economic struggles within the Dayton region have contributed greatly to the decline of the targeted neighborhoods. By the second quarter of 2009, the current recession was already the longest since WWII and is stacking up to be the worst since the great depression. Unlike most of the nation, the Dayton region has been mired in economic decline for nearly a decade. Since 2000, the region has lost over 45,000 jobs. In fact, in December of 2008, the region had its lowest level of employment since the late 1980s. In other words, the region did not recover from the last recession in 2001. The major cause of the economic malaise can be summed up in one word: manufacturing. Moreover, the region's economic decline has been exacerbated by the current global recession; after losing 45,000 jobs or 43% of the employment base, manufacturing has continued this descent in 2009 as seen in the chart below. And, although most pronounced in the manufacturing sector, jobs losses over the last decade have been widespread and include every sector save three: financial services, education & health services, and leisure & hospitality. Since the recession began in December 2007, losses have continued to mount at an alarming rate claiming the incomes of 13,200 individuals and likely affecting a multiple of that number as the losses accrue to the worker's family, neighborhood and community. Evidence of the social distress is apparent in the growing ranks of unemployed and underemployed. Unemployment in the region currently stands at 11.3% up from 5.9% in December 2008 while Dayton is even higher at 12.5% in the most recently released data from the Bureau of Labor Statistics. Given that the majority of the Consortium member's revenue sources is income tax, the recent downturn and loss of jobs translates into significantly lower revenues, which leads to diminished services to the residents, and fewer resources to address the decline within the Consortium's target areas. As mentioned above, what precipitated the current deep recession were record level mortgage foreclosure filings and plunging property values that have subtracted approximately $5 trillion in equity from the U.S. housing market. Due to its weak market conditions, the Dayton region did not participate in the rapid price appreciation experienced in such markets as Las Vegas, Miami, Phoenix, and Los Angeles. Yet, we have not been immune to the precipitous declines in home sales and home prices coupled with some of the highest foreclosure rates in the nation. Interestingly, the contracting local economy over the past decade was largely responsible for our high foreclosure rate. Conversely, it was the mortgage meltdown that caused economic decline across the nation. Foreclosures in the late 1990s and for the last three years have registered more than 5,000 foreclosures or 2% of housing units an

Executive Summary:

nually. This is a five-fold increase from 1995. Though foreclosures did decline in the most recentreport, they show scant evidence of slowing.

Target Geography:

Census
Tracts: 5, 6, 8.01, 8.02, 9, 15, 19, 22, 26, 33, 36, 37, 38, 39, 210, 213.02, 503.01, 503.02, 505.01, 602, 603, 702.01, 703, 704, 705, 801, 903.0
2
906, 1003.01, 1003.02, 1004, 2005, and amended to include Census Tract 3.

Program Approach:

The Consortium plans to undertake various methods to stabilize the targeted neighborhoods including: 1. NSP Eligible Use A: Establishing financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties; 2. NSP Eligible Use B: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties; 3. NSP Eligible Use D: Demolish blighted structures; 4. NSP Eligible Use E: Redevelop demolished or vacant properties as housing; In most cases, NSP2 funds will be used to expand and enhance the current efforts of the NSP1 program and other redevelopment activities underway in the target geographies. Given the high vacancy rates and very low absorption rates, the Consortium will seek to demolish at least 770 blighted housing units, purchase and rehabilitate at least 155 units, redevelop 81 units, and provide financing incentives to purchase and rehabilitate at least 259 units of foreclosed and abandoned housing. As a targeted approach, the Consortium is proposing to address 21% (32 census tracts) of the 153 total census tracts in the Consortium. As the market study recommended, redevelopment activities will be focused with blight elimination taking place in a larger geography within the target areas. Areas with relatively low vacancies and few blighted structures will be targeted for NSP2 Eligible Use A. Partnerships with local lending institutions and Realtors established through NSP1 will be expanded to provide incentives for LMMI homebuyers to purchase foreclosed homes with NSP2 funds. In areas with high vacancy rates and high numbers of blighted structures, demolition strategies along with redevelopment will be employed to bring the vacancy rates to a more sustainable level of less than 10%. Due to an excess housing supply of over 5000 units, demolition in addition to preservation is a sound strategy. The Consortium is requesting that 20% of the NSP2 funds be used for the demolition of blight. The Consortium has significant experience in the design, implementation, and management of neighborhood revitalization efforts. Recent neighborhood revitalization projects are good examples of successful approaches: the Phoenix Project, the Genesis Project, Wiles Creek, and the HOPE VI Project. The Genesis Project was the winner of the 2004 Audrey Nelson Community Development Achievement Award given by the National Community Development Association. The Consortium members are confident that the proposed activities will stabilize the targeted neighborhoods. NSP2 funds will provide the needed catalyst for private sector funds to be injected into the target neighborhoods. The market study that was commissioned by the Consortium has the following observations and recommendations regarding the proposed approach. The market study is available online at www.cityofdayton.org.

Consortium Members:

City of Dayton, Ohio
City of Fairborn, Ohio
City of Kettering, Ohio
Dayton Metropolitan Housing Authority
Montgomery County Ohio

How to Get Additional Information:

City of Dayton, Ohio
Dept. of Planning & Community Development
101 W. Third St.
Dayton, OH 45402
(937) 333-3670

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	$34,060,888.79
Total Budget	$0.00	$34,060,888.79
Total Obligated	$0.00	$33,815,996.71
Total Funds Drawdown	$0.00	$32,990,895.92
Program Funds Drawdown	$0.00	$29,060,888.79
Program Income Drawdown	$0.00	$3,930,007.13
Program Income Received	$0.00	$4,789,275.00
Total Funds Expended	$0.00	$33,427,327.49
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$10,908,380.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	$0.00	$10,908,380.00
Limit on Public Services	$0.00	$0.00
Limit on Admin/Planning	$2,936,366.00	$2,573,323.23
Limit on Admin	$0.00	$2,573,323.23
Most Impacted and Distressed Threshold (Projected)	$0.00	$0.00
Progress towards LH25 Requirement	$8,840,915.00	$7,870,263.48

Overall Progress Narrative:

No activity

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Financing Mechanisms (Eligible Use A)	$0.00	$105,000.00	$105,000.00
2, Purchase and Rehabilitation (Eligible Use B)	$0.00	$15,500,000.00	$11,025,352.66
4, Demolition (Eligible Use D)	$0.00	$6,508,000.00	$6,353,374.47
5, Redevelopment (Eligble Use E)	$0.00	$9,439,819.90	$9,003,838.43
6, NSP2 Administration	$0.00	$2,740,774.00	$2,573,323.23
NSP2 PI Waiver, NSP2 Program Income Waiver	$0.00	$0.00	$0.00