

# Grantee: Euclid, OH

## Grant: B-11-MN-39-0008

### July 1, 2021 thru September 30, 2021 Performance

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<b>Grant Number:</b> B-11-MN-39-0008	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> Euclid, OH	<b>Contract End Date:</b>	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$1,031,230.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> No QPR Contact Found
<b>LOCCS Authorized Amount:</b> \$1,031,230.00	<b>Estimated PI/RL Funds:</b> \$522,737.07	
<b>Total Budget:</b> \$1,553,967.07		

### Disasters:

#### Declaration Number

NSP

### Narratives

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

Areas of Greatest Need \$258,000 will be used to address housing rehab set aside for sale to 50% AMI, \$140,000 will be used for down payment assistance (80%-120%), \$500,107 will be used to purchase/demolish 25 houses, \$30,000 will be used for land bank maintenance and \$103,123 will be used for program administrative costs (10%). The city will focus our plan activities on all areas in the city that have a HUD risk score of 17 or greater according to the HUD mapping tool supplied data. In addition, we have researched 2010 sheriff sales, active foreclosures listed by the Cuyahoga County Clerk of Courts, and the HUD and Fannie Mae website listings. These would be the properties most readily available to be quickly and more easily acquired. Please see the attached HUD Mapping Tool documentation. Low Income Targeting The city of Euclid plans to spend \$258,000, of its original NSP3 fund allocation to be used to rehabilitate homes in our existing inventory for housing individuals or families whose incomes do not exceed 50% of area median income. Based on an average cost of \$86,000 to rehabilitate, and including carrying costs / development costs, it is estimated that 3 single family houses will be made available to households with an income of 50% or less of the area median income over the 3 year period. This equals 25% of our overall NSP3 grant. Aquisitions/Rehabilitation 51% to 120% The City of Euclid plans to spend approximately \$130,000 of its original NSP3 fund allocation to rehabilitate 1 house in our existing inventory for housing individuals or families whose incomes do not exceed 120% of area median income. Program income generated by the resale of this house will be used to fund all activities in this program including purchase/rehab and resale of houses to householdswith an AMI of 51% to 120%.

Acquisition and Relocation The city of Euclid does not plan to acquire and rehabilitate or demolish housing of any kind that is occupied; therefore, we will not need a plan to relocate any residents. Public Comment February 4, 2011 - Ran Notice in Cleveland Plain Dealer newspaper. (See attached Ad) February 7, 2011 - Put on City of Euclid website (www.cityofeuclid.com) for 15 day public review and comment. Introduce plan and legislation at public hearing/Council meeting. February 9, 2011 - Held a public committee meeting to receive input from public and city Council. Submitted to the citizen based City of Euclid Foreclosure Prevention Committee for review and comment. February 22, 2011 - Held public hearing / Council meeting to review and pass legislation.

\*No public comments

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

were received during the public comment period. September 13, 2013 -Ran notice of proposed amendment in Cleveland Plain Dealer newspaper. Posted proposed amendment on City website. October 3, 2013 - Held a public meeting / citizens advisory committee meeting in City of Euclid Council Chambers \*No public comments were received during the public comment period. NSP3 Grant 5

#### How Fund Use Addresses Market Conditions:

The City of Euclid plans to focus primarily on demolition in order to stabilize and strengthen our neighborhoods. The current housing market in Euclid has an oversupply of properties for sale, in relation to demand, or in a state of active or inactive foreclosure. Properties that have been reduced to below market value are selling, while properties that are listed at market value or above have remained on the market for longer periods of time. The best use of NSP funds therefore is to reduce supply in our areas of greatest need by acquiring and demolishing blighted structures, and selectively rehabbing properties that meet the criteria to make them affordable for low and moderate income households. This will strengthen the market, make existing properties more saleable, and stabilize property values throughout the entire city.

Due to the economic climate and the lack of credit worthy buyers, the City is also experiencing an increase in rental housing. Investors are content in buying deeply discounted properties and rehabilitating them for the rental market. The large number of single family residential rental properties, including HUD voucher homes, and the high number of condo/apartment complexes has caused a glut of available rental properties in the City. We do not intend to acquire property for rehabilitation and subsequent rental since the market is already saturated.



Therefore, we are requesting a waiver to allow us to expend up to 50% of our grant allocation to perform demolition in our areas of greatest need.

All program income will be used to continue performing additional demolition, for maintenance of demolished properties that have been placed in our land bank, and to supplement program administration.

**Ensuring Continued Affordability:**

The city will ensure continued affordability by following the HOME rule for the period of affordability. We will require that all homes rehabbed using NSP funds be owner occupied for a minimum period of 5 years. The city will offer down payment assistance up to \$14,500 in the form of a soft-second mortgage for low income households at or below 80% of AMI. The DPA loan will be 50% forgivable prorated at 10% per year for the 5 year affordability period. The remaining 50% will be recaptured at re-sale or transfer of the property. To ensure continued affordability for moderate/middle income households at 80% to 120% of AMI, the City will provide down payment assistance of 20% of the purchase price of the home, up to a maximum of \$10,000 in the form of a soft second mortgage, of which 50% will be forgiven at 10% per year for the 5 year affordability period and the remaining balance recaptured at re-sale or transfer of the property. If the home owner sells the property during the affordability period, they will be required to return a prorated amount of down payment assistance at time of sale. For both the DPA loan programs, homeowners will be required to attend the minimum 8 hours of housing counseling with a HUD approved counseling agency. All requirements will be conveyed in a promissory note, which will detail and enforce these resale restrictions. All homeowners that purchase an NSP funded home must submit a signed / notarized affidavit as proof of ownership and occupancy each year on the anniversary of purchase/closing date.

**Definition of Blighted Structure:**

Pursuant to city of Euclid Ordinance 1755.29(d), blight means a premises, because of its age, obsolescence, dilapidation, deterioration, lack of maintenance or repair or occurrence of drug offenses, prostitution, gambling and other criminal acts which constitute public nuisances at the premises or any combination thereof, after lawfully issued citations or violation notices, constitutes an apparent fire hazard, place of retreat for immoral and criminal purposes constituting a public nuisance or repeated and serious breaches of peace, health hazard, public use and enjoyment of other premises within the neighborhood, or a factor seriously depreciating property values in the neighborhood.

**Definition of Affordable Rents:**

In event the City of Euclid utilizes NSP3 funds for rental property, we intend to follow HOME rules enforced by a covenant or deed restriction with regard to associated costs, calculated affordability periods, and setting a maximum 30% of income "cap" on rental as related to each affordable rental unit.

**Housing Rehabilitation/New Construction Standards:**

The following Housing Rehabilitation Standards will apply to all NSP funded houses:

- ,
- ,
- Any and all city of Euclid housing code violations will be corrected.
- ,
- A lead based paint risk assessment will be performed by a qualified contractor and all risk hazards will be abated within the scope of work during rehabilitation.
- ,
- ,

All properties will receive the following as needed.

- ,
- ,
- Roofing, gutters & downspouts.
- ,
- Vinyl siding, energy efficient windows, exterior and storm doors.
- ,
- Driveway, apron, sidewalk, and garage floor repair or replacement as needed.
- ,
- Attic and wall insulation as needed.
- ,
- New energy efficient furnace and hot water tank.
- ,
- Remodeled kitchen and bathroom(s) to include cabinets, countertop, sink, faucet, toilet, tub / shower and flooring.
- ,
- New water saver plumbing fixtures & upgraded plumbing where needed.
- ,
- Upgraded electric service to 100 amp with new breaker box and complete re-wire of electric as needed.
- ,
- Complete interior carpentry repair to include repairing damaged walls, replacement of any interior doors, moldings, railings, light fixtures, hardware, etc. as needed.
- ,
- Complete interior re-painting including basement.
- ,
- Repair or replacement of interior flooring to include hardwood floor repair and / or new carpeting.
- ,
- Foundation repair / waterproofing as needed.
- ,
- Complete replacement or renovation of garage to include new roof, vinyl siding, gutters & downspouts, new man door, overhead door, windows and electric.
- ,
- All new energy star rated efficient major appliances to include refrigerator, range/stove, dishwasher, disposal, and microwave oven.
- ,
- Landscaping depending on need: upgrade, trim, repair or replace grass, trees or bushes and mulch flower beds.
- ,



**Vicinity Hiring:**

The city will solicit for bids from local contractors and encourage the hiring of city residents if the contractor requires additional employees to perform the scope of work necessary to complete the project.

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

In event the City of Euclid utilizes NSP3 funds for rental property, we intend to follow HOME rules enforced by a covenant or deed restriction with regard to associated costs, calculated affordability periods, and setting a maximum 30% of income “cap” on rental as related to each affordable rental unit. Due to the economic climate and the lack of credit worthy buyers the city is also experiencing increase in rental housing. Investors are content in buying deeply discounted properties and rehabilitating them for the rental market. Large number of single-family residential rental properties, including HUD voucher homes, and the high number of condo/apartment complexes cause a glut of available rental properties in the city. We do not intend to acquire properties for rehabilitation and subsequent rentals since the market is already saturated.

**Grantee Contact Information:**

NSP3 Grantee Information  
 Jurisdiction: The City of Euclid, Ohio  
 Contact Person: Martin Castelletti  
 585 E 222nd St. Euclid, Ohio 44123  
 Phone: 216-289-8141  
 Fax: 216-289-8366  
 mcastelletti@cityofeuclid.com  
 City of Euclid Website: www.cityofeuclid.com

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$1,553,967.07
<b>Total Budget</b>	\$0.00	\$1,553,967.07
<b>Total Obligated</b>	\$0.00	\$1,451,164.64
<b>Total Funds Drawdown</b>	\$0.00	\$1,446,583.14
<b>Program Funds Drawdown</b>	\$0.00	\$1,026,856.73
<b>Program Income Drawdown</b>	\$0.00	\$419,726.41
<b>Program Income Received</b>	\$0.00	\$420,363.14
<b>Total Funds Expended</b>	\$0.00	\$1,446,583.14
<b>HUD Identified Most Impacted and Distressed</b>	\$0.00	\$0.00
<b>Other Funds</b>	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

**Funds Expended**

<b>Overall</b>	<b>This Period</b>	<b>To Date</b>
City of Euclid Development Department2	\$ 0.00	\$ 1,446,583.14

**Progress Toward Required Numeric Targets**

<b>Requirement</b>	<b>Target</b>	<b>Projected</b>	<b>Actual</b>
<b>Overall Benefit Percentage</b>	99.99%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$.00	\$.00	\$.00
<b>Overall Benefit Amount</b>	\$1,420,201.58	\$.00	\$.00
<b>Limit on Public Services</b>	\$154,684.50	\$.00	\$.00
<b>Limit on Admin/Planning</b>	\$103,123.00	\$133,623.46	\$131,555.91
<b>Limit on Admin</b>	\$.00	\$133,623.46	\$131,555.91
<b>Most Impacted and Distressed</b>	\$.00	\$.00	\$.00
<b>Progress towards LH25 Requirement</b>	\$388,491.77		\$373,623.42

**Overall Progress Narrative:**



Currently working to reconcile through assistance with Technical Assistance. More data and financial reconciliation to be submitted at later date, as of 2/9/2022.

## 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
NSP3-01, 50% rehab	\$0.00	\$375,203.85	\$278,024.60
NSP3-02, Down Payment Assistance	\$0.00	\$173,446.35	\$139,748.00
NSP3-03, Demolition	\$0.00	\$396,039.97	\$339,715.63
NSP3-04, Land bank Maintenance	\$0.00	\$46,927.77	\$33,247.88
NSP3-05, Administration	\$0.00	\$133,623.46	\$103,753.90
NSP3-06, 120% rehab	\$0.00	\$325,923.24	\$132,366.72

