Grantee: Gary, IN

Grant: B-11-MN-18-0005

October 1, 2018 thru December 31, 2018 Performance

Grant Number:
B-11-MN-18-0005

Obligation Date:

Award Date:

Grantee Name:
Gary, IN

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$2,717,859.00

Grant Status:
Active

QPR Contact:
Judith Samson

LOCCS Authorized Amount:
$2,717,859.00

Estimated PI/RL Funds:
$400,000.00

Total Budget:
$3,117,859.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

Project 1 - Acquisition/Rehabilitation - $1,357,893.99 Dollar Housing Program - Eligible Use B: Acquisition and Rehabilitation (LMMH) - Budget $0 - Activity cancelled Acquisition and Rehabilitation - Eligible Use B: Acquisition and Rehabilitation (LMMH, 25% Setaside) - Budget $1,357,893.99 - Many of the abandoned or foreclosed properties in University Park are in good condition and can be renovated and marketed to new homeowners at or below 50% of AMI as a parallel effort with the dollar house initiative. This additional investment will encourage current property owners to improve their homes and it will attract other stable families to buy in the neighborhood. Just like the dollar houses, the properties will be selected based on the quality of location, construction features, other renovation nearby, and marketability of each house. These properties will be fully upgraded to the same standards as the recently renovated NSP houses elsewhere in Gary. Under this program, either the City or a single developer will be responsible to fully renovate and sell those houses designated for households at or below 50% of median. Based on past experience, this is sufficient to fund the rehab and sale of up to ten to twelve houses of the type common to the western part of University Park. An initial survey of the area has identified many small houses that should be high priority for rehab and sale instead of demolition. It is expected that the houses will be renovated and sold in phases that will begin as the dollar house effort starts and will continue into 2013 and beyond. Project 2 - Demolition - Eligible Use D: Demolition (LMMA) - Budget $1,115,357.70 - The City of Gary received approval on January 22, 2013 of its request for a waiver from the Assistant Secretary of the U.S. Department of H.U.D. to increase the allocation of demolition funding from ten percent (10%) of the grant to up to fifty-three (53%) of the grant to address the higher than usual amounts of abandonment in a few blocks of the east and west sides of the University Park footprint and to address the demolition of the former Sheraton Hotel and parking garage. There are a few blocks in this area that have a higher than usual amount of abandonment. This reflects less desirable design or construction features in the tract houses. Nevertheless, no single significant part of the core neighborhood is severely distressed, so a targeted program of demolition with careful treatment of the vacant lots should greatly stabilize the overall neighborhood. In terms of rental property, the neighborhood is already a place of choice for stable renters and higher quality units should enhance the market. Until recently, there have been few abandoned houses in University Park, and the community has a good tree canopy and a relatively low number of open lots. However, matters are changing quickly and it is critical to now remove certain vacant houses and to have a solid plan for the re-use of the properties. Therefore, there will be assigned staff to work with the Redevelopment Department to create a seamless process of identification and notification of abandoned houses and a proactive plan for giving priority to demolitions where the adjacent owners are willing to take responsibility. As a result of this effort, 55 houses will be removed in University Park over the next two years.&

Summary of Distribution and Uses of NSP Funds:

nbsp;A cleaner, better-maintained neighborhood will restore confidence among the current residents and will encourage renting or owning by new residents. There may be the opportunity for simultaneous demolitions in conjunction with other programs and institutions at some sites. If so, the total for both areas could be 55 demolitions funded by NSP3 and 20 by other sponsors. The first priority for clearance will be sites adjacent to dollar houses and other investment sites. The second priority wi

How Fund Use Addresses Market Conditions:

Ensuring Continued Affordability:

Definition of Blighted Structure:

Definition of "Blighted Structure" according to the State of Indiana Code, the Interim Study Committee and Legislative Findings:
-Any premises that, because of physical condition, use, or occupancy, constitutes a public nuisance or attractive nuisance;
-Any dwelling that, because it is dilapidated, unsanitary, unsafe, or vermin infested or lacks the facilities or equipment required by housing codes, is
unfit for human habitation;
-Any structure that is a fire hazard or is otherwise dangerous to the safety of persons or property;
-Any structure from which the utilities, plumbing, heating, sewerage, or similar services or facilities have been disconnected, destroyed, removed, or
rendered ineffective so that the property is unfit for its intended use;
-Any vacant or unimproved land in a predominantly built-up neighborhood that, by reason of neglect or lack of maintenance, has become a place for.
accumulation of trash and debris or a haven for rodents or other vermin;
-Any property that has tax delinquencies that exceed the value of the property;
-Any property with code violations that affect health or safety that is not substantially rehabilitated within one year after receiving a notice to

Definition of Affordable Rents:

Housing Rehabilitation/New Construction Standards:

The City of Gary Housing Standards for Rehabilitation Program as funded from HOME and CDBG will apply to NSP funds:
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- Code/Health & Safety Repairs- Our first priority is to eliminate and remove any and all pre-existing City of Gary code violations, Health and Safety hazards and bring the property to code. All projects will correct any pre-existing code deficiencies and/or health and safety repair needs. This is inclusive of construction deficiencies which were completed without City permits. (room additions, garage conversions, patio additions, etc.) All units will brought up to code and rehabilitation must obtain the permits necessary through the City of Gary Building Department, or the property must be demolished as part of the rehab project.

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- Lead Based Paint Hazards- As part of the Housing Rehabilitation under this NSP, a lead based paint test and a risk assessment are required on all rehabilitation projects. This is done to identify the existence and scope of any lead based paint hazards in the property. The "Lead-Based Paint Poisoning Prevention in Federally Owned and Federally Assisted Housing" found at 24 CFR Part 35 will apply.

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- Termite Repairs- The program requires a termite inspection report be prepared for every home by a licensed inspector. The report must identify any termite or dry rot damaged wood members in the property, as well as whether there are any active termite infestations in the property. The program requires that any termite or dry rot damaged wood be replaced or repaired due to health and safety risks posed to the structure of the property. Fumigation or other treatments recommended must eliminate any active termite infestations and are required under this program.

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- General Property Improvements Upon- The Completion of the cost for rehabilitation of all code deficiencies has been completed, health and safety items, lead based paint hazard and termite repairs are totaled, then any additional program funding may be used to address general property improvements. General property improvements may include a wide range of items such as painting, replacement of fixtures, cabinets, flooring, etc. The General property improvements MAY NOT include items that are a type or quality which exceeds the standards for similar properties in the area or that exceed the basic standard of "decent, safe and sanitary housing". The acceptable standards are found in 24 CFR 983.101.

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Vicinity Hiring:

The City of Gary will make every effort to hire employees who reside in the NSP3 target areas, and will require contractors to make every attempt to do the same. In doing so, the City will coordinate these vicinity hiring provisions with its Section 3 program requirements.

Procedures for Preferences for Affordable Rental Dev.:

Grantee Contact Information:

Ms. Arlene D. Colvin, Director, City of Gary Department of Commerce, Community Development Division, 839 Broadway, Suite 302N, Gary, IN 46402 (219)881-5075, FAX (219)881-5085 or acolvin@ci.gary.in.us

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	$3,117,859.00
Total Budget	$0.00	$3,117,859.00
Total Obligated	$0.00	$3,117,859.00
Total Funds Drawdown	$0.00	$2,717,859.00
Program Funds Drawdown	$0.00	$2,717,859.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$2,717,859.00
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$0.00

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	$0.00
Limit on Public Services	$407,678.85	$0.00
Limit on Admin/Planning	$271,785.90	$182,587.87
Limit on Admin	$0.00	$182,587.87
Most Impacted and Distressed Threshold (Projected)	$0.00	$0.00
Progress towards LH25 Requirement	$779,464.75	$1,251,065.94

Overall Progress Narrative:

This Quarter: NSP3

3619 Van Buren Street - Purchase agreement submitted to purchase property for $76,000. Bids were submitted to the public for drain/tile/waterproofing of property and replacement of furnace & water heater.
NSP3 Rents collected:: Total - $1,733.00 (3651 Tyler St.)
Total Expenditures - $14,590.72
3619 Van Buren St/ = $11,385.50; Rehab ($9,325.00), NIPSCO (1,765.50), Lawn ($295.00)
601 W. 36th Ave. = $849.78; Lawn ($295.00), NIPSCO ($554.78)
3619 Monroe St., = $295.00; Lawn ($295.00)-VACANT/REHAB
3660 Jefferson St. = $295.00; Lawn ($295.00)-VACANT/REHAB
3667 Fillmore St. = $295.00; Lawn ($295.00)-VACANT/REHAB
3633 Buchanan St. = $295.00; Lawn ($295.00)-VACANT/REHAB - possible Rehab 2019
3651 Tyler St. = $1,175.34; Alarm ($280.00), NIPSCO ($895.34)
Advertising/Marketing: Advertising/Marketing for the NSP properties are listed on the City of Gary's website and distributed during monthly homebuyer educational workshops. NSP3 inventory properties are possible options for the City of Gary's Dollar House program.
Program Income - $0

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Acquisition/Rehabilitation	$0.00	$1,819,913.43	$1,419,913.43
0002, Demolition	$0.00	$1,115,357.70	$1,115,357.70
0003, Administration	$0.00	$182,587.87	$182,587.87

Activities

Project # / Title: 0001 / Acquisition/Rehabilitation

Grantee Activity Number:	**4**
Activity Title:	**Dollar Housing Program - LMMI**

Activitiy Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
0001

Project Title:
Acquisition/Rehabilitation

Projected Start Date:
12/31/2013

Projected End Date:
03/01/2014

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Gary

Overall	Oct 1 thru Dec 31, 2018	To Date
Total Projected Budget from All Sources	N/A	$168,847.49
Total Budget	$0.00	$168,847.49
Total Obligated	$0.00	$168,847.49
Total Funds Drawdown	$0.00	$168,847.49
Program Funds Drawdown	$0.00	$168,847.49
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$168,847.49
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$0.00

Activity Description:

The main focus will be on a dollar house program. The City will acquire properties from among the foreclosed or tax sale properties, transfer them to a developer for structural rehabilitation and elimination of environmental hazards, and then bring in a buyer for sale and rehabilitation completion. This main thrust of the neighborhood work plan will result in at least four (4) fully renovated houses. They will be available to households earning up to 120% of area median income, which is about $79,300 for a family of four. All houses will be quality units and will attract strong, stable buyers. The result will be housing products that re-build resident confidence and that add stable residents to reinvigorate neighborhood leadership.
To accomplish this, there will be a strategic acquisition process which will select the best possible properties for the dollar house program. This will include tax-foreclosed houses as well as abandoned properties in tax arrearage, REO properties, and houses in the mortgage loan foreclosure process. There will be careful planning to ensure that the selected houses have curb appeal and good locations near other attractive properties. Most of the houses will be three-bedroom, although larger houses will also be included when possible.
Under this program, either the City or a single developer will be responsible for the structural and environmental rehab and disposition of these properties. If a developer handles this program, that developer will be selected

through an open RFP process. The city will transfer the properties to the approved developer who will be responsiblefor structural andenvironmental rehab and for sales, with the city assisting through marketing, homebuyer referrals, etc. All of the properties will be brought to the standard outlined in the proposal (broom clean, lead and asbestos abated, new roof, new windows, foundation and exteriors fixed, etc.) by the developer.
At that point, the properties will have two options available in order to bring them to completion. The first option is to offer the homes as dollar houses in a city-wide lottery. Participating, qualified buyers will agree to buy the property and to work with the developer and the developer's contractor to bring the houses to completion. This will typically include new wiring, plumbing, baths, kitchens, new or refurbished flooring, and possibly updates to the floor plan. The participating banks will close the permanent mortgage when the construction period is complete. The city will assist the developer with the necessary draws for rehab. Each buyer will be reviewed to see if the household will qualify for a second mortgage if the bank appraisal is too low. The other option is to have the developers carry out the renovation tasks above and then sell to a homebuyer after all renovations are complete.
To ensure success, all selected properties will be chosen so that there are strong homeowner properties nearby, there is a growing resident leadership group, and there are other houses undergoing similar renovation. Proceeds from the sale of these homes can potentially beo renovate additionalant houses for sale to homebuyers. Moreover,the concentrated sites will benefit from related targeted CDBG and HOME expenditures. As planned, targeted CDBG dollars will address property repair problems and will fund sidewalk and lighting improvements. Some HOME dollars can also assist homeowners with troubled houses. All of this work will be done at very high standards in order to encourage current and new owners to improve their homes and increase the equity value of the houses.

Location Description:

The project will occur in the NSP3 target area of University Park.
University Park is situated close to a thriving commercial center, is near other stable neighborhoods, and benefits from its location adjacent to Indiana University Northwest. There is a stable balance of rental and homeowner properties, but the neighborhood greatly benefits from a significant number of homeowner houses maintained at good to excellent standards. Most of these quality houses are on larger lots with attractive landscaping. Nearer the western edge of the neighborhood, the houses are often more modest homes on more conventional lots, but many are still in good repair.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	