

Grantee: Kokomo, IN

Grant: B-11-MN-18-0008

July 1, 2020 thru September 30, 2020 Performance Report

Grant Number: B-11-MN-18-0008	Obligation Date:	Award Date:
Grantee Name: Kokomo, IN	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$1,014,327.00	Grant Status: Closed with Ongoing Reporting	QPR Contact: Pritesh T Shah
LOCCS Authorized Amount: \$1,014,327.00	Estimated PI/RL Funds: \$392,000.00	
Total Budget: \$1,406,327.00		

Disasters:

Declaration Number  
NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The City of Kokomo has established a target area in the northwest portion of the city, which is known as the NW-NSP3 target area. It is also referred to in the HUD Mapping Tool data as "Northwest priority1." Within the target area, the City will partner with a Developer and use NSP funds for the following activities: 1) Acquisition, demolition and clearance, reconstruction and sale of homes to low- to middle-income homebuyers; 2) Acquisition, rehabilitation and sale of housing units to low- to middle-income homebuyers. With Project No.1, over twenty-five percent (25%) of available NSP funds have been set aside (Project 1) for the reconstruction of homes for persons or households with incomes at or below 50% AMI.

How Fund Use Addresses Market Conditions:

The NSP activities will address local market conditions within the NW-NSP3 target area by stabilizing property values and increasing the supply of quality, affordable housing. It is also expected that the current market conditions will also be improved by increasing homeownership opportunities for lower-income persons and families, in particular, those at or below 50% AMI.

Ensuring Continued Affordability:

The grantee will ensure the continued affordability of all NSP assisted housing, and subprime mortgage practices will be discouraged. New homebuyers will get eight hours of counseling from a HUD-approved counseling source. For homeownership projects, the City of Kokomo shall abide by HOME program standards at § 92.254, and may apply the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act (12 U.S.C. 1709 (b), which may be obtained from the HUD field office. For any rental housing projects that may be developed, the City of Kokomo shall apply the HUD Fair Market Rent documentation system and ensure that all units remain affordable during the term of the financial assistance being provided. The use of deed restrictions or other covenants running with the land shall be the principle means by which this will be accomplished.  
FY 2011 Fair Market Rents

- Efficiency
- One-Bedroom
- Two-Bedroom
- Three-Bedroom
- Four-Bedroom
- \$551
- \$557
- \$707
- \$901
- \$928

For all homeowner and rental projects (as applicable), the period of affordability will follow the HOME program standards as referenced above, which will be based on the amount of funds invested as follows:

- Housing Activity
- Minimum period of affordability

Acquisition and/or rehabilitation of existing housing per unit amount of NSP funds invested: Under \$15,000  
5 Yrs  
\$15,000 to \$40,000  
10 Yrs  
Over \$40,000 or rehabilitation involving refinancing  
15 Yrs

**Definition of Blighted Structure:**

Blighted structure is discussed in the context of state and local law as an “unsafe building.” City ordinance states: “Any building or structure which has any or all of the conditions or defects hereinafter described shall be deemed to be an "UNSAFE BUILDING", provided that such conditions or defects exist to the extent that life, health, property, or safety of the public or its occupants are endangered.

(1) Whenever any door, aisle, passageway, or other means of exit is not of sufficient width or size or is not so arranged as to provide safe and adequate means of exit in case of fire or panic.

(2) Whenever any building or structure has been constructed, exists, or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the building regulations of this city, or of any law or ordinance of this state or city relating to the condition, location, or structure of buildings.

(3) Whenever any building or structure which, whether or not erected in accordance with all applicable laws and ordinances has in any non-supporting part, member, or portion less than 50%, or in any supporting part, member, or portion less than 66% of the strength, fire-resisting qualities or characteristics, or weather- resisting qualities or characteristics required by law in the case of a newly constructed building of like area, height, and occupancy in the same location.

(4) Whenever a building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangements, inadequate light, air or sanitation facilities, or otherwise, is determined by the enforcement authority to be unsanitary, unfit for human habitation, or in such a condition that is likely to cause sickness or disease.

(5) Whenever any building or structure, because of obsolescence, dilapidated condition, deterioration, damage, inadequate exits, lack of sufficient fire-resistive construction, faulty electric wiring, gas connections, or heating apparatus, or other cause, is determined by the enforcement authority to be a fire hazard.

(6) Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned for a period in excess of six months so as to constitute such building or portion thereof an attractive nuisance or hazard to the public.

**Definition of Affordable Rents:**

The grantee has reviewed its current definition of “affordable rents” for the CDBG program and made slight modifications to ensure total compliance with the NSP program. The existing CDBG program definition has adopted the HUD Fair Market Rent documentation system, but had applied a specific three-year period of affordability. In order to ensure and maintain total compliance with the new NSP program, the grantee has expanded that definition to include the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

**Housing Rehabilitation/New Construction Standards:**

It is the policy of the City of Kokomo to include and promote improvements to the housing stock that increase energy efficiency, conservation, and/or provide a renewable energy source or sources. Energy Star rated and approved appliances and other building components (such as Energy Star approved double-pane, double-hung, tinted windows and “Greenguard”© insulation material) are already required in the City's existing rehabilitation programs, and will apply to NSP-3 assisted activities. Rehabilitation will be to the extent necessary to comply with applicable laws, codes and other requirements, including compliance with the Lead Safe Housing Rule.

By local ordinance, the City of Kokomo has adopted the following building codes for residential properties, which shall apply to all NSP assisted projects.

- 2009 International Residential Code for One and Two-Family Dwellings (effective in March, 2009)
- 2009 International Mechanical Code (effective in March, 2009)
- 2008 Indiana Building Code
- 2008 Indiana Mechanical Code
- 2008 Indiana Fuel Gas Code
- 2006 National Electrical Code
- 1999 Indiana Plumbing Code
- 1992 Indiana Energy Code

**Grantee Contact Information:**

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**Vicinity Hiring:**

Vicinity hiring will be a primary goal by NSP program design, as the City plans to extend an existing Contract with a Developer, who will help to identify properties, obtain site control and help manage all construction work, including the letting of bids and awarding as many subcontracts to local area firms as possible.

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

Original Procedures for Development of the Affordable Rental Housing Preference:

Certain existing homes (either foreclosed or abandoned) were originally targeted for acquisition, rehabilitation and sale to investors or landlords. The plan originally included proposed Contract terms with a Developer to ensure that these homes, once rehabilitated, would be sold with the expressed purpose of renting to very-low-income households, and in accordance with the Fair Market Rent (FMR) system. This was the City's original strategy for meeting the "25% setaside requirement" concerning benefit to persons and/or households with incomes at or below 50% AMI.

Revised Procedures concerning the Affordable Rental Housing Preference, per Substantial Amendment to 2010 Consolidate Plan: A follow-up amendment to the 2010 Consolidated Plan/Action Plan made 2 changes to the City of Kokomo's NSP3 program, described as follows:

1) Funds Transferred from Activity No. 3 to No. 2:

The activity described as “Acquisition, Rehabilitation and Sale of Housing Units (Renter-Occupied) has been discontinued. The original budget for this activity was \$252,853. These funds were transferred to Activity No. 2, “Acquisition, Rehabilitation and Sale of Housing Units (Owner-Occupied)” in order to pursue additional homeownership opportunities for persons with incomes below 50 percent of the area median income.

Explanation/Summary of Market Analysis:

In review of its program performance under the first Neighborhood Stabilization Program (NSP1 funds), the City of Kokomo was able to acquire, rehabilitate and sell 10 of 14 homes to persons or households with incomes at or below 50% of the area median income. The amount of funds expended for the benefit of this income group was approximately 68% of funds available, which far exceeded the “25% set-aside requirement” in the NSP guidelines. With its current standing as one of the nation’s most affordable housing markets, the City has decided to pursue additional homeownership opportunities as a more feasible and desirable program strategy to meet the NSP income targeting requirements.

2) Activity No. 1 – Change in Program Description: - The City has deleted the activity name “Acquisition, New Construction and Sale of Housing Units” and has replaced it with the correct description, which is “Acquisition, Reconstruction and Sale of Housing Units.” In addition, the target income group for this activity is hereby changed from LMML (low to moderate to middle-income) to the “LM25” category. Total funds allocated to this activity are \$263,725. This amount is 26% of the total NSP3 funding allocation, which is designed to meet or exceed the “deep targeting” income requirement of the NSP regulations, which states that “no less than 25 percent of the funds shall be used to house individuals and families whose incomes do not exceed 50 percent of area median income.”

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,325,627.62
Total Budget	\$0.00	\$1,325,627.62
Total Obligated	\$0.00	\$1,325,627.62
Total Funds Drawdown	\$0.00	\$1,325,627.62
Program Funds Drawdown	\$0.00	\$1,010,748.33
Program Income Drawdown	\$0.00	\$314,879.29
Program Income Received	\$0.00	\$366,215.80
Total Funds Expended	\$0.00	\$1,325,627.62
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	\$152,149.05	\$0.00
Limit on Admin/Planning	\$101,432.70	\$59,938.93
Limit on Admin	\$0.00	\$59,938.93
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$351,581.75	\$324,526.00

Overall Progress Narrative:

No new activity in this reporting period.  
As a result of ongoing technical issue, last QPR/APR was submitted in October of 2018. After that, DRGR would only allow to submit Annual rather than Quarterly Performance Reports. Now, that issue has been resolved. Data clean up was performed in January of 2020 and all pending flags were resolved.  
All the financial information is accurate and no other activity has taken place since then.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Acquisition, Reconstruction and Sale of Housing Units	\$0.00	\$996,077.87	\$694,210.99

2, Acquisition, Reconstruction and Sale of Housing Units	\$0.00	\$324,526.00	\$266,441.98
3, Acquisition, Rehabilitation and Sale of Housing Units	\$0.00	\$0.00	\$0.00
4, Administration	\$0.00	\$59,938.93	\$50,095.36

Activities

Project # / 1 / Acquisition, Reconstruction and Sale of Housing Units

Grantee Activity Number:	1A
Activity Title:	Act 1 Acquisition

Activitiy Category:	Activity Status:
Acquisition - general	Completed
Project Number:	Project Title:
1	Acquisition, Reconstruction and Sale of Housing
Projected Start Date:	Projected End Date:
06/01/2011	05/30/2014
Benefit Type:	Completed Activity Actual End Date:
Direct ( HouseHold )	
National Objective:	Responsible Organization:
NSP Only - LMMI	City of Kokomo2

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$31,840.88
Total Budget	\$0.00	\$31,840.88
Total Obligated	\$0.00	\$31,840.88
Total Funds Drawdown	\$0.00	\$31,840.88
Program Funds Drawdown	\$0.00	\$31,840.88
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$31,840.88
City of Kokomo2	\$0.00	\$31,840.88
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Acquisition of vacant lots or blighted residential structures targeted for demolition. These properties are targeted for reconstruction and resale to low- to middle-income homebuyers (120% AMI).

Location Description:

Kokomo NW-NSP3 target area.

Activity Progress Narrative:

No new activity in this reporting period.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	5/5
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	5/5
# of Singlefamily Units	0	5/5

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	

<b>Grantee Activity Number:</b>	<b>1B</b>
<b>Activity Title:</b>	<b>Act 1 Demolition</b>

<b>Activitiy Category:</b>	<b>Activity Status:</b>
Clearance and Demolition	Completed
<b>Project Number:</b>	<b>Project Title:</b>
1	Acquisition, Reconstruction and Sale of Housing
<b>Projected Start Date:</b>	<b>Projected End Date:</b>
06/01/2011	05/30/2014
<b>Benefit Type:</b>	<b>Completed Activity Actual End Date:</b>
Direct ( HouseHold )	
<b>National Objective:</b>	<b>Responsible Organization:</b>
NSP Only - LMMI	City of Kokomo2

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$16,876.80
Total Budget	\$0.00	\$16,876.80
Total Obligated	\$0.00	\$16,876.80
Total Funds Drawdown	\$0.00	\$16,876.80
Program Funds Drawdown	\$0.00	\$16,876.80
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$16,876.80
City of Kokomo2	\$0.00	\$16,876.80
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Demolition and clearance of NSP3 target area properties. It is expected that these projects will result in reconstruction of housing, which will then be sold to low- to middle-households (120% AMI).

Location Description:

Kokomo NW-NSP3 target area.

Activity Progress Narrative:

No new activity in this reporting period.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	2/2
	This Report Period	Cumulative Actual Total / Expected
	Total	Total

# of Housing Units	0	2/2
# of Singlefamily Units	0	2/2

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	

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Grantee Activity Number:	1C
Activity Title:	Act 1 Reconstruction

<b>Activitiy Category:</b> Construction of new housing <b>Project Number:</b> 1 <b>Projected Start Date:</b> 06/01/2011 <b>Benefit Type:</b> Direct ( HouseHold ) <b>National Objective:</b> NSP Only - LMMI	<b>Activity Status:</b> Completed <b>Project Title:</b> Acquisition, Reconstruction and Sale of Housing <b>Projected End Date:</b> 08/09/2014 <b>Completed Activity Actual End Date:</b>  <b>Responsible Organization:</b> City of Kokomo2
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Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$892,445.01
Total Budget	\$0.00	\$892,445.01
Total Obligated	\$0.00	\$892,445.01
Total Funds Drawdown	\$0.00	\$892,445.01
Program Funds Drawdown	\$0.00	\$645,493.31
Program Income Drawdown	\$0.00	\$246,951.70
Program Income Received	\$0.00	\$271,462.64
Total Funds Expended	\$0.00	\$892,445.01
City of Kokomo2	\$0.00	\$892,445.01
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

**Activity Description:**  
Reconstruction of single-family homes for sale to qualifying low- to middle-income homebuyers (120% AMI).

**Location Description:**  
Kokomo NSP3 target area.

**Activity Progress Narrative:**  
No new activity in this reporting period.

**Accomplishments Performance Measures**

	This Report Period Total	Cumulative Actual Total / Expected Total
#Sites re-used	0	6/6
	This Report Period Total	Cumulative Actual Total / Expected Total

# of Housing Units	0	6/6
# of Singlefamily Units	0	6/6

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	5/5	5/5	100.00
# Owner Households	0	0	0	0/0	5/5	5/5	100.00

### 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	

Project # / 2 / Acquisition, Reconstruction and Sale of Housing Units

Grantee Activity Number:	2A
Activity Title:	Act 2 Acquisition

<b>Activitiy Category:</b> Acquisition - general <b>Project Number:</b> 2 <b>Projected Start Date:</b> 06/01/2011 <b>Benefit Type:</b> Direct ( HouseHold ) <b>National Objective:</b> NSP Only - LH - 25% Set-Aside	<b>Activity Status:</b> Completed <b>Project Title:</b> Acquisition, Reconstruction and Sale of Housing <b>Projected End Date:</b> 05/30/2014 <b>Completed Activity Actual End Date:</b>  <b>Responsible Organization:</b> City of Kokomo2
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Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$29,615.00
Total Budget	\$0.00	\$29,615.00
Total Obligated	\$0.00	\$29,615.00
Total Funds Drawdown	\$0.00	\$29,615.00
Program Funds Drawdown	\$0.00	\$29,615.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$29,615.00

City of Kokomo2	\$0.00	\$29,615.00
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Acquisition of single-family homes targeted for rehabilitation and resale to low- to middle-income households.

**Location Description:**

Kokomo NW-NSP3 target area.

**Activity Progress Narrative:**

No new activity in this reporting period.

**Accomplishments Performance Measures**

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	2/2
# of Parcels acquired	0	2/2

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	2/2
# of Singlefamily Units	0	2/2

**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	

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<b>Grantee Activity Number:</b>	<b>2B</b>
<b>Activity Title:</b>	<b>Act 2 Reconstruction</b>

<b>Activitiy Category:</b>	<b>Activity Status:</b>
Rehabilitation/reconstruction of residential structures	Completed
<b>Project Number:</b>	<b>Project Title:</b>
2	Acquisition, Reconstruction and Sale of Housing
<b>Projected Start Date:</b>	<b>Projected End Date:</b>
06/01/2011	05/30/2014
<b>Benefit Type:</b>	<b>Completed Activity Actual End Date:</b>
Direct ( HouseHold )	
<b>National Objective:</b>	<b>Responsible Organization:</b>
NSP Only - LH - 25% Set-Aside	City of Kokomo2

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$294,911.00
Total Budget	\$0.00	\$294,911.00
Total Obligated	\$0.00	\$294,911.00
Total Funds Drawdown	\$0.00	\$294,911.00
Program Funds Drawdown	\$0.00	\$236,826.98
Program Income Drawdown	\$0.00	\$58,084.02
Program Income Received	\$0.00	\$94,753.16
Total Funds Expended	\$0.00	\$294,911.00
City of Kokomo2	\$0.00	\$294,911.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

**Activity Description:**  
 Reconstruction of single-family homes on vacant lots, for resale to low-income homebuyers (50%AMI)

**Location Description:**  
 Kokomo NW-NSP3 target area.

**Activity Progress Narrative:**  
 No new activity in this reporting period.

Accomplishments Performance Measures		
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	2/2
#Sites re-used	0	2/2

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	2/2
# of Singlefamily Units	0	2/2

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	2/2	0/0	2/2	100.00
# Owner Households	0	0	0	2/2	0/0	2/2	100.00

### 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	

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