

Grantee: Gary, IN

Grant: B-11-MN-18-0005

January 1, 2014 thru March 31, 2014 Performance Report



Grant Number:

B-11-MN-18-0005

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

Gary, IN

Contract End Date:

03/14/2014

Review by HUD:

Reviewed and Approved

Grant Award Amount:

\$2,717,859.00

Grant Status:

Active

QPR Contact:

Evelyn Aponte

LOCCS Authorized Amount:

\$2,717,859.00

Estimated PI/RL Funds:**Total Budget:**

\$2,717,859.00

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 (LMMH) - 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

Summary of Distribution and Uses of NSP Funds:

ity. As a result of this effort, 55 houses will be removed in University Park over the next two years. 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 will be abandoned houses adjacent to those property owners who are willing to take responsibility for the cleared lot. The third priority will be given to distressed properties on otherwise stable blocks with the belief that early intervention can be the most cost effective.

The fourth priority will be given to the demolition of the old Sheraton Hotel and its adjoining parking garage which has created an impediment to redevelopment of the city's downtown area. The goal of demolishing these structures and the subsequent redevelopment of the area into green space is to stimulate redevelopment and revitalization in the surrounding area while eliminating blight.

The fifth priority will be given to the demolition of property addresses on both sides of Ridge Road between Tyler Street and Van Buren Street.



Project 3 - Administration - Budget \$244,607.31 - This activity represents less than 10% of the total NSP Grant and will be utilized for administration of all related fiscal systems and production of required reports. Management of program components, monitoring and evaluation of program and subgrantees.

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:

- 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.
- 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.
- 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.
- 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.

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	\$2,717,859.00
Total Budget	\$0.00	\$2,717,859.00
Total Obligated	\$0.00	\$2,717,859.00
Total Funds Drawdown	\$426,467.95	\$2,717,859.00
Program Funds Drawdown	\$426,467.95	\$2,717,859.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$390,415.86	\$2,717,859.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
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 State Admin	\$0.00	\$182,587.87

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$271,785.90	\$182,587.87

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$679,464.75	\$1,251,065.94

Overall Progress Narrative:

This quarter, due to the inclement weather in this area, it has been difficult to market and show the properties and several of the rehab activities were delayed.

3619 Van Buren Street &ndash Contract for this property was approved to start rehabbing. GreenTree has been contacted for the lead assessment and Monroe Pest Control for the pest evaluation. DUNES Construction has won the bid for the rehabilitation and project has started and progressing. They have torn out and replaced walls, floors, insulation, siding, windows, new furnace, and new roof.

601 W. 36th Avenue &ndash Contract for this property was approved to start rehabbing. GreenTree has been contacted for the lead assessment and Monroe Pest Control for the pest evaluation. GEO-AL Construction has won the bid for the rehabilitation and project has started and progressing. They have replaced the windows, removed siding, installed a new furnace, tore out and replaced old wet drywall. Anticipating completion date on or before April 30, 2014. An appraisal will be ordered once property is completed.

3701 Tyler St. - A purchase agreement has been executed for this property for the purchase price of

\$55,000. Purchasers have been approved for a loan in the amount of \$70,000 through First Savings Bank of Hegewisch and have been instructed to contact our Down Payment Assistance specialist, Ms. Ragland to see if they qualify for downpayment assistance. Closing date is scheduled for on or before April 30, 2014.

AMERECO &ndash A meeting was held with Mr. John Blosky, Owner of AMERECO, to discuss the outstanding corrective repairs for the following properties:

1. 3578 Buchanan Street- Mr. Blosky and our inspector, Mr. Ivan Gregory, went out to evaluate the corrective repairs that the property needed. Peeling paint and furnace issues. Mr. Blosky stated that the existing issues will be taken care of by him personally.

2. 3572 Monroe St. - Mr. John Blosky and our Inspector, Mr. Ivan Gregory, went to this property and made their evaluation of the corrective repairs that were needed at this property. An additional sump pump has to be installed, patch holes in the basement walls, etc. These issues will be taken care of by Mr. Blosky personally. Appraisal report has been ordered and waiting for selling price of this property.

3. 3701 Tyler Street &ndash Mr. Blosky and our inspector, Mr. Ivan Gregory went out to evaluate the basement, drain tile and progress on the backflow mechanism for this property to prevent any future water seepage or back-up. This process was stopped by Mr. Blosky until he returned from a business meeting. The equipment for this project has been ordered and he is waiting for it to be delivered to proceed.

E-BUS TOUR - We have been working with Fifth Third Bank for the E-Bus Tour for 2014. We will highlight the NSP-3 homes by having an OPEN HOUSE during this event on March 29, 2014 and April 3, 2014.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Acquisition/Rehabilitation	\$235,323.18	\$1,419,913.43	\$1,419,913.43
0002, Demolition	\$153,597.20	\$1,115,357.70	\$1,115,357.70
0003, Administration	\$37,547.57	\$182,587.87	\$182,587.87



Activities

Project # / Title: 0001 / Acquisition/Rehabilitation

Grantee Activity Number: 3

Activity Title: Acquisition/Rehabilitation - LH25%

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

0001

Projected Start Date:

05/01/2011

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition/Rehabilitation

Projected End Date:

03/01/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Gary

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2014

N/A

To Date

\$1,251,065.94

Total Budget

\$62,019.44

\$1,251,065.94

Total Obligated

\$62,019.44

\$1,251,065.94

Total Funds Drawdown

\$235,323.18

\$1,251,065.94

Program Funds Drawdown

\$235,323.18

\$1,251,065.94

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$196,927.22

\$1,251,065.94

City of Gary

\$196,927.22

\$1,251,065.94

Match Contributed

\$0.00

\$0.00

Activity Description:

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.



Location Description:

The project will occur in the NSP3 target area of University Park.

Activity Progress Narrative:

Expended a total of \$232,617.18 this quarter. Paid Gary Crusader \$659.50 for advertising. Paid Atty. Inga Lewis-Shannon \$10,935 in attorney fees. Paid NWIndiana Reinvestment Alliance \$2,265 for housing counseling. Paid Town & Country Appraisers \$825 for title searches. Paid Meridian Title Co. \$4,790 for title searches. Paid GEO AL \$66,543.19 for rehab of 601 E. 36th Ave. Paid Dunes Construction \$72,350 for rehab of 3619 Van Buren St. Paid Amereco \$73,904.24 (\$8,017.64 for rehab work at 3701 Tyler St.; \$1,837.93 for rehab work at 3578 Buchanan St.; and \$64,048.67 for rehab work at 3572 Monroe St.) Paid Amereco \$2,910.25 for rehab work (\$1,016.67 for rehab work at 3651 Tyler St. and \$1,893.58 for rehab work at 3660 Washington St.) Drawdown made for \$141.00 for Keys Made Rite for invoice paid in previous quarter. An adjustment of \$38,254.96 had to be made due to errors in previous quarters.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	1/6
#Units with bus/rail access	0	1/6

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	1/6
# of Singlefamily Units	0	1/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	1/0	0/0	1/6	100.00
# Owner Households	0	0	0	1/0	0/0	1/6	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 # / Title: 0002 / Demolition

Grantee Activity Number: 2



Activity Title: Demolition

Activity Category:

Clearance and Demolition

Project Number:

0002

Projected Start Date:

07/01/2012

Benefit Type:

Area ()

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Demolition

Projected End Date:

03/31/2013

Completed Activity Actual End Date:

Responsible Organization:

City of Gary

Overall	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$1,115,357.70
Total Budget	\$0.00	\$1,115,357.70
Total Obligated	\$0.00	\$1,115,357.70
Total Funds Drawdown	\$153,597.20	\$1,115,357.70
Program Funds Drawdown	\$153,597.20	\$1,115,357.70
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$159,457.13	\$1,115,357.70
City of Gary	\$159,457.13	\$1,115,357.70
Match Contributed	\$0.00	\$0.00

Activity Description:

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.

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. 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 will be abandoned houses adjacent to those property owners who are willing to take responsibility for the cleared lot. The third priority will be given to distressed properties on otherwise stable blocks with the belief that early intervention can be the most cost effective.

The fourth priority will be given to the demolition of the old Sheraton Hotel and its adjoining parking garage which has created an impediment to redevelopment of the city's downtown area. The goal of demolishing these structures and the subsequent redevelopment of the area into green space is to stimulate redevelopment and revitalization in the surrounding area while eliminating blight.



Location Description:

The NSP-3 demolition effort will occur in the University Park target area and the Sheraton Project Area which is bound by Madison St. on the West, 4th Avenue on the North, Delaware Street on the East, and 6th Avenue on the south. 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.

Activity Progress Narrative:

Expended \$47,627.87 in product delivery. Expended \$105,969.33 in demolition costs. Demolished 9 structures containing 6 housing units. 3 were commercial structures and 6 were residential structures.

Paid C. Lee Construction \$49,999.34 to demolish:

1. 732 W. Ridge Rd.
2. 738 W. Ridge Rd.

Paid D & R Site Services \$23,650 to demolish:

1. 729 W. Ridge Rd.
2. 739 W. Ridge Rd.

Paid Gary Material Supply \$25,500 to demolish:

1. 3648 Carolina St.
2. 3565 Delaware St.
3. 3764 Madison St.

Paid IPAR \$6,820 to demolish:

1. 3655 Van Buren St.

An adjustment of \$5,859.93 had to be made due to errors in previous quarters.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	9	77/55
# of buildings (non-residential)	3	8/1

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	6	82/55

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

Address	City	County	State	Zip	Status / Accept
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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 # / Title: 0003 / Administration

Grantee Activity Number:	1
Activity Title:	Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

0003

Project Title:

Administration

Projected Start Date:

05/01/2011

Projected End Date:

04/30/2014

Benefit Type:

()

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Gary

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2014

N/A

To Date

\$182,587.87

Total Budget

(\$62,019.44)

\$182,587.87

Total Obligated

(\$62,019.44)

\$182,587.87

Total Funds Drawdown

\$37,547.57

\$182,587.87

Program Funds Drawdown

\$37,547.57

\$182,587.87

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$34,031.51

\$182,587.87

City of Gary

\$34,031.51

\$182,587.87

Match Contributed

\$0.00

\$0.00

Activity Description:

Funding of \$182,587.87 will be used toward the administration of all related fiscal systems and production of required reports, management of program components, and monitoring and evaluation of program and subgrantees.

Location Description:

839 Broadway, Suite 302N, Gary, IN 46402

Activity Progress Narrative:



Expenditure of \$34,031.51 were for administrative costs for the implementation of the grant. An adjustment of \$3,516.06 had to be made due to errors in previous quarters.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.

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	

