

Grantee: Gary, IN

Grant: B-11-MN-18-0005

October 1, 2011 thru December 31, 2011 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:

Submitted - Await for Review

Grant Amount:

\$2,717,859.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

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 - Rental Redevelopment - Eligible Use E: Redevelopment (LMMH) - \$2,174,287.20 - NSP3 dollars, perhaps with resources from other funding sources, will be used to build high quality rental units, either directly or through a developer. Long term affordability will be based on the HOME guidelines and lease terms will be for one year. A site has not been identified, although the City has explored several possible sites in the target areas. The City will do one or two projects in the target areas, and together, at least 12 units will be available for rental upon completion of the redevelopment. This number far exceeds the minimum impact requirement for the target of areas of 0-1. Of the amount allotted for this redevelopment activity, 31.2% will go towards meeting the 25% set-aside requirement (which will translate to at least 25% of the City's entire NSP3 allocation).

Rental Redevelopment Budget Breakdown:

- Project Delivery Cost/In House - Construction Inspector 5 hrs. per week x 52 weeks = 260 hrs. yearly @ \$25.98 per hour = \$6,755 x 3 yrs. = \$20,265.00 plus fringes = \$25,217.39; DNR Environmental Specialist 5 hrs. per week x 52 weeks = 260 hrs. yearly @ \$23.76 per hour = \$6,178 x 1 yr. = \$6,178 plus fringes = \$7,687.92. Total Project Delivery Cost/In House = \$32,905.31
- Rental Redevelopment - Low income set-aside 4 units (31.2%) - Acquisition, Rehabilitation/Rental Development, Energy Efficient Appliances = \$679,464.75
- Rental Redevelopment - Low-moderate income 8 units (68.8%) - Acquisition Rehabilitation/Rental Development, Energy Efficient Appliances = \$1,461,917.14

Project 2 - Demolition - Eligible Use D: Demolition (LMMA) - Budget \$271,785.90 - This demolition activity will include the removal of the structures and appropriate treatment to the land, and the necessary costs for legal work, site surveys, and other associated expenses so that the City can take possession of the vacant lots for approved end uses. The City is estimating that at least 8 units will be demolished. The Gary Community Development Department will enter into a subrecipient agreement with the City of Gary Redevelopment Commission, which will be responsible for day to day implementation of the demolition components of the NSP3 program.

Demolition Budget Breakdown:

- Project Delivery Cost = \$54,357.18
- Demolition = \$217,428.72

Activity 3 - Administration - Budget \$271,785.90 - This activity represents 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.

Administration Budget Breakdown:

- Project Director (10 hrs. weekly x 52 wks = 520 hours yearly @ \$41.95 per hour = \$21,814 x 3 yrs. = \$65,442 plus fringes = \$81,412.50
- Project Manager (10 hrs. weekly x 52 wks = 520 hours yearly @ \$36.03 per hour = \$18,736 x 3 yrs. = \$56,208 plus fringes = \$69,921.26
- Fiscal Officer (10 hrs. weekly x 52 wks = 520 hours yearly @ \$31.97 per hour = \$16,624 x 3 yrs. = \$49,872 plus fringes = \$62,051.07
- Compliance Monitor (5 hrs. weekly x 52 weeks = 260 hours yearly @ \$22.98 per hour = \$5,975 x 3 yrs. = \$17,925 plus fringes = \$22,297.95
- Professional Services = \$10,000 per year x 3 yrs = \$30,000
- Supplies = \$500 per year x 3 yrs = \$1,500
- Travel & Education = \$2,301.56 x 2 yrs. = \$4,603.12



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:

Affordable rents will mirror the HOME Investment Partnerships Program rent limits, which NSP3 allows as a safe harbor. The City will use the low HOME rents for tenants who are below 50% of AMI, and the high HOME rents for individuals and families up to 120% of median.

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:

Mr. Carl C. Jones, Interim Director, City of Gary Department of Community Development, 839 Broadway, Suite 302N, Gary, IN 46402 (219)881-5075, FAX (219)881-5085 or cjones@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	\$0.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
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	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

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

Progress Toward National Objective Targets

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

Overall Progress Narrative:

The Tiered Environmental Review was done October 18, 2011. A Request for Release of Funds and Finding of No Significant Impact was published on October 24, 2011 with a 15 day comment period over on November 9, 2011. The Request for Release of Funds was submitted on November 9, 2011. The Authority to Use Grant Funds was received November 30, 2011.

Mr. Carl Jones, Interim Director, met on November 14, 2011 with 6th District Councilman Ronier Scott regarding the project. Mr. Scott posed no objection to the project. On November 15, 2011, Mr. Jones gave a presentation of the proposed Pittman Square Project at a publicly held School Corporation committee meeting. School Board Member Rosie Washington (who is a precinct person in the 6th District) was somewhat hesitant about the proposal, but would vote for it if the Community Development Department conducted community meetings in early 2012. Throughout November and December, 2011 several messages were left by Mr. Jones with the School Corporation's attorney, Mr. Robert Lewis. He was to prepare documents to transfer the property. On Friday, November 25, 2011, a meeting with Mr. Jones and Attorney Robert Lewis was held in which Attorney Lewis indicated that the School Corporation was still interested in transferring the property for the full asking price. The School Corporation was unwilling to place the sale/purchase of the Pittman Square property on its agenda before the new administration took office.

Project Summary

Project #, Project Title

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Rental Redevelopment	\$0.00	\$2,174,287.20	\$0.00
0002, Demolition	\$0.00	\$271,785.90	\$0.00
0003, Administration	\$0.00	\$271,785.90	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



