

**Grantee: Gary, IN**

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

**April 1, 2013 thru June 30, 2013 Performance Report**

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**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 Amount:**

\$2,717,859.00

**Grant Status:**

Active

**QPR Contact:**

Evelyn Aponte

**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 - \$1,057,893.99

Dollar Housing Program - Eligible Use B: Acquisition and Rehabilitation (LMMH) - Budget \$378,429.24 - 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 responsible for structural and environmental 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 be used to renovate additional

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

t 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.

Acquisition and Rehabilitation - Eligible Use B: Acquisition and Rehabilitation (LMMH, 25% Setaside) - Budget \$679,464.75 - 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 \$1,415,357.70 - 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. The

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

refore, 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.

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

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$2,717,859.00
<b>Total Budget</b>	\$0.00	\$2,717,859.00
<b>Total Obligated</b>	\$0.00	\$2,717,859.00
<b>Total Funds Drawdown</b>	\$171,570.44	\$1,545,260.73
<b>Program Funds Drawdown</b>	\$171,570.44	\$1,545,260.73
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$194,775.80	\$1,590,635.45
<b>Match Contributed</b>	\$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	\$82,273.45
Limit on State Admin	\$0.00	\$82,273.45

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$271,785.90	\$244,607.31

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$679,464.75	\$1,189,046.50

## Overall Progress Narrative:

We have purchased 10 homes located within the University park area. Those addresses are as follows:

1. 3578 Buchanan St.
2. 3633 Buchanan St.
3. 3651 Tyler St.
4. 3701 Tyler St.
5. 3660 Jeff. St.
6. 3572 Monroe St.
7. 3619 Monroe St.
8. 3667 Fillmore St.
9. 601 W. 36th Ave.
10. 3660 Wash. St.

AMERECO has made great progress on the following properties and have made great improvements in renovation at 3578 Buchanan St., 3651 Tyler St. , 3701 Tyler St., and 3660 Wash. St. We are anticipating these four (4) properties to be near completion or completed by mid or end of July, 2013. Once completed and in receipt of the occupancy permit, we will order appraisals and organize an "OPEN HOUSE".

Additional properties for NSP3 will be: 3572 Monroe St. and 3633 Buchanan St. These are four (4) bedrooms and two (2) baths homes. We have larger families that are interested in these properties.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Acquisition/Rehabilitation	\$113,897.49	\$1,057,893.99	\$810,427.70
0002, Demolition	\$38,156.27	\$1,415,357.70	\$652,559.58



0003, Administration

\$19,516.68

\$244,607.31

\$82,273.45



## Activities

<b>Grantee Activity Number:</b>	<b>1</b>
<b>Activity Title:</b>	<b>Administration</b>

**Activity Category:**

Administration

**Project Number:**

0003

**Projected Start Date:**

05/01/2011

**Benefit Type:**

( )

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

04/30/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Gary

Overall	Apr 1 thru Jun 30, 2013	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$244,607.31
<b>Total Budget</b>	\$0.00	\$244,607.31
<b>Total Obligated</b>	\$0.00	\$244,607.31
<b>Total Funds Drawdown</b>	\$19,516.68	\$82,273.45
<b>Program Funds Drawdown</b>	\$19,516.68	\$82,273.45
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$19,285.92	\$86,288.72
City of Gary	\$19,285.92	\$86,288.72
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Funding of \$244,607.31 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:**

Expended a total of \$19,285.92 in administrative costs which included \$16,292.07 paid in salaries, \$2,263 paid to Community Builders for the University Park Plan, and \$961.61 in travel costs to attend a Community Reinvestment Alliance (CRA) Workshop and an Indiana HELPS workshop in Indianapolis, Indiana sponsored by the Indiana Housing and Community Development Authority (IHCDA).

The difference between the amount of drawdown and expended is \$230.76 which is for:

1. \$1,998.21 March 22 payroll drawn not paid
2. \$1,870.88 Jan.-Mar. fringes drawn not paid
3. (\$642.96) April fringes paid not drawn
4. (\$1,998.21) May 31 payroll not drawn
5. (\$787.92) May fringe not drawn
6. (\$200.20) claim not drawn



- 7. \$787.92 May fringe drawn not paid
- 8. (\$642.96) June fringes not drawn
- 9. (\$154.00) claim not drawn

### 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

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<b>Grantee Activity Number:</b>	<b>2</b>
<b>Activity Title:</b>	<b>Demolition</b>

**Activity Category:**  
Clearance and Demolition

**Activity Status:**  
Under Way

**Project Number:**  
0002

**Project Title:**  
Demolition

**Projected Start Date:**  
07/01/2012

**Projected End Date:**  
03/31/2013

**Benefit Type:**  
Area ( )

**Completed Activity Actual End Date:**

**National Objective:**  
NSP Only - LMMI

**Responsible Organization:**  
City of Gary

Overall	Apr 1 thru Jun 30, 2013	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$1,115,357.70
<b>Total Budget</b>	\$0.00	\$1,115,357.70
<b>Total Obligated</b>	\$0.00	\$1,415,357.70
<b>Total Funds Drawdown</b>	\$38,156.27	\$652,559.58
<b>Program Funds Drawdown</b>	\$38,156.27	\$652,559.58
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$33,550.39	\$655,900.57
City of Gary	\$33,550.39	\$655,900.57
<b>Match Contributed</b>	\$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 a total of \$33,550.39 this quarter. \$26,451.64 in activity delivery costs, \$6,105 in demolition costs to C. Lee Construction for a change order to fill in the sub-basement of 3724 Broadway, and \$993.75 in advertisement costs to The Times for publication of the Unsafe Building Hearing.

The difference between the amount of drawdown and expended is \$4,605.88 which is:

1. \$3,229.19 - March 22 payroll drawn not paid
2. \$4,717.69 - Jan-Mar fringes drawn not paid
3. (\$2,358.84) - April fringes paid not drawn
4. (\$3,229.19) - May 31 payroll not drawn
5. (\$2,593.24) - May fringes not drawn
6. \$1,142.26 - Claim adjustment for Indiana Title
7. \$3,229.19 - May 30 payroll drawn not paid
8. \$2,593.24 - May fringes drawn not paid
9. (\$2,124.42) - June fringes not drawn

**Accomplishments Performance Measures**

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	68/55
# of buildings (non-residential)	0	5/1

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	76/55

**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	



**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**

	<b>Apr 1 thru Jun 30, 2013</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,189,046.50
<b>Total Budget</b>	\$0.00	\$1,189,046.50
<b>Total Obligated</b>	\$0.00	\$679,464.75
<b>Total Funds Drawdown</b>	\$5,950.00	\$641,580.21
<b>Program Funds Drawdown</b>	\$5,950.00	\$641,580.21
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$33,992.00	\$679,598.67
City of Gary	\$33,992.00	\$679,598.67
<b>Match Contributed</b>	\$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 \$5,950 for appraisals on NSP properties, \$2,100 to Campbell & Associates for 7 appraisals @ \$300 each on:

1. 3702 Harrison St.
2. 3701 Tyler St.
3. 3625 Buchanan St.
4. 3607 Monroe St.



- 5. 3667 Fillmore St.
- 6. 3647 Tyler St.
- 7. 601 W. 36th Ave.

and to Town & Country Appraisers for 14 appraisals @ \$275 each on:

- 1. 3660 Jeff. St.
- 2. 3572 Monroe St.
- 3. 4333 Penn. St.
- 4. 3633 Buchanan St.
- 5. 840 W. 36th Ave.
- 6. 1500 W. 35th Ave.
- 7. 3702 Harrison St.
- 8. 3701 Tyler St.
- 9. 3625 Buchanan St.
- 10. 3578 Buchanan St.
- 11. 3607 Monroe St.
- 12. 3619 Monroe St.
- 13. 3661 Tyler St.
- 14. 1130 W. 37th Ave.

The difference between the amount of drawdown and expended is \$28,042 which is for a claim to AMERECO that was paid but not drawn.

### 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	

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**Grantee Activity Number:** 4

**Activity Title:** Dollar Housing Program - LMMI

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

0001

**Projected Start Date:**

12/31/2013

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehabilitation

**Projected End Date:**

03/01/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Gary

<b>Overall</b>	<b>Apr 1 thru Jun 30, 2013</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$168,847.49
<b>Total Budget</b>	\$0.00	\$168,847.49
<b>Total Obligated</b>	\$0.00	\$378,429.24
<b>Total Funds Drawdown</b>	\$107,947.49	\$168,847.49
<b>Program Funds Drawdown</b>	\$107,947.49	\$168,847.49
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$107,947.49	\$168,847.49
City of Gary	\$107,947.49	\$168,847.49
<b>Match Contributed</b>	\$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 rebuild 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 responsible for structural and environmental 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 be used to renovate additional 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:

Expended \$107,947.49 this quarter. Paid AMERECO Inc. \$107,947.49 for rehabilitation costs on NSP properties:

1. 3660 Washington St. - \$26,242.83
2. 3701 Tyler St. - \$39,579.23
3. 3651 Tyler St. - \$42,125.43

### 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	

