

EXECUTIVE SUMMARY
DRAFT

(FOR PUBLIC COMMENT)

THE CITY OF AKRON, OHIO
NEIGHBORHOOD STABILIZATION PROGRAM
GRANT SUBMISSION
THE NSP SUBSTANTIAL AMENDMENT

GRANT ALLOCATION: \$8,583,492.00

Jurisdiction(s): <u>Akron, Ohio</u> <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: Thomas <u>A. Tatum</u> Address: <u>166 S. High Street Room 405</u> Telephone: <u>(330) 375-2090</u> Fax: <u>(330) 375-2387</u> Email: <u>Tatumth@ci.akron.oh.us</u>
Jurisdiction Web Address: <u>www.ci.akron.oh.us</u>	
<i>(URL where NSP Substantial Amendment materials are posted)</i>	

A. AREAS OF GREATEST NEED

The City of Akron is comprised of ten (10) wards and 13 council representatives (3 as At-large representatives). The City has identified 61 census tracts that meet the LMMI area designation (<120% area median income) per HUD-supplied data; fifty-three of these census tracts are identified to have a Foreclosure-Abandonment Risk Score of 9 or 10. The City's proposed target areas for NSP funds will be within these high-risk census tracts. Other needs data were compiled from Home Mortgage Disclosure Act (HMDA).

The Neighborhood Stabilization Program will be effective by strategically targeting the funds in a neighborhood concept. As outlined in our Comprehensive Plan, the City has an established policy to target Community Development Block Grant and HOME Investment partnership funds within a neighborhood context. Utilizing NSP funds in a targeted program is consistent with this practice.

In the identified neighborhoods, the City has invested with partner organizations such as the Akron Public Schools, Akron Metropolitan Housing Authority and non-profit developers. It is important that the NSP funds be concentrated in a

limited number of neighborhoods to provide a sufficient scale of resources to reverse the course of decline.

The neighborhoods selected contain established assets such as major development reinvestment and new or planned construction of Community Learning Centers. The Akron Community Learning Centers is an aggressive, 15-year plan to remodel or rebuild most of the educational buildings of the Akron Public Schools and transform the buildings into community learning centers. .

B. DISTRIBUTION AND USES OF FUNDS

The City of Akron will use its entitlement of \$8,583,492 NSP funds by within neighborhoods with the highest risk ranking of concentration of subprime mortgage loans and the risk of additional foreclosures, as evidenced through HUD-provided data and Summit County, Ohio data on foreclosures that have occurred from July 2007 through September 2008. Based upon qualified census tracts, the City will identify neighborhoods surrounding a new or under construction Community Learning Center to concentrate NSP activity. The NSP neighborhoods will contain approximately 500 structures. The funds will be used for these primary activities:

- \$2,800,000 Acquisition of property Financing Options for Home Ownership
- \$2,145,873 Housing for persons below 50% Area Median Income
- \$1,500,000 Rehabilitation of property
- \$1,180,000 Demolition of structures
- \$ 100,000 Relocation
- \$ 857,619 Administration

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of Blighted Structure

The City of Akron will utilize the provisions of the Ohio Revised Code and the Akron Health Department Environmental Health Housing Code to determine if a property is blighted. The ORC Section 1.08 defines the characteristics that qualify a property as blighted. The City of Akron Health Department administers the Housing Code through the identification of building and site violations and the enforcement of Orders to Comply. The final arbiter of

enforcement action is the City's Housing Appeals Board. For the NSP program, the City will consider as blighted any structure identified by the Housing Appeals Board for demolition

(2) Definition of "affordable rents."

For any NSP-funded rental activity, "affordable rents" shall be defined as 30% of the household's adjusted income, less utility allowances as adopted by the Akron Metropolitan Housing Authority for the Section 8 program, as appropriate. HUD's Fair Market Rent schedule for the Akron MSA will be used.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 CFR Part 92.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

The City of Akron will follow the HOME rehabilitation program standards that require properties to be rehabilitated by correcting all health and safety issues present in the house and to follow Lead-Based Paint Safety Standards.

D. LOW INCOME TARGETING

The City of Akron estimates that at least \$2,145,873 million of the NSP allocation will be utilized to benefit individuals and families whose incomes do not exceed 50% of the area median income.

E. ACQUISITIONS & RELOCATION

Within the selected NSP areas, the City will engage in acquisition, demolition or rehabilitation of foreclosed, abandoned and blighted property. If the property is determined to be economically or environmentally unfeasible to renovate, demolition will be the recommended treatment. If the vacant property yields developable land, new construction will be recommended. For-profit and non-profit developers with proven development track record will be invited to stabilize foreclosed, abandoned and vacant properties not targeted for demolition.

Acquisition and relocation activities will be initiated upon the release of NSP funds. The City anticipates a limited amount of relocation, as the focus will be on vacant properties. Will involve various activities such:

- Acquisition and demolition to remove blighted properties when those properties can provide needed space for other development projects or for parkland.
- Acquisition and rehabilitation for resale to homebuyers when the acquired structures are of sufficient condition, quality and location to provide a marketable property.
- Acquisition and demolition to provide land for new construction of housing. Properties must have a minimum of 50 feet of frontage and 5,500 square feet unless the standard allotment on the blocks surrounding the acquisition provides 45 foot frontage lots

F. PUBLIC COMMENT

The City of Akron Department of Planning and Urban Development placed in its ad of October 11, 2008 outlining the 2009 Action plan a statement of the Neighborhood Stabilization Program. A brief presentation was provided to the Akron Planning Commission Public Hearing on October 17, 2008. A draft of the City of Akron, Ohio Neighborhood Stabilization Program Substantial Amendment was placed on the city's website (www.ci.akron.oh.us) on Friday November 14, 2008. As consistent with the City's Consolidated Strategy, any substantial amendment to an Action Plan that is more than ten percent (10%) of the City's allocation, the amendment must be presented and approved by Akron City Council. A summary of the proposed plan will be presented before Akron City Council on Monday, November 17, 2008. The City has also conducted meetings with support agencies that may need to be enlisted to carry out NSP activities; these organizations were also asked to provide input towards completion of this application.