

Grantee: Cuyahoga County, OH

Grant: B-11-UN-39-0002

April 1, 2011 thru June 30, 2011 Performance Report

Grant Number:

B-11-UN-39-0002

Obligation Date:**Grantee Name:**

Cuyahoga County, OH

Award Date:**Grant Amount:**

\$2,551,533.00

Contract End Date:

03/09/2014

Grant Status:

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

No QPR Contact Found

Disasters:**Declaration Number**

NSP

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

HUD has established a "needs score" for every census tract and block group in the nation. This data was used to assign a minimum score within each state that a block group had to meet to be eligible to utilize NSP3 assistance. In Ohio that minimum score is 17. Along with the "Needs score" data, HUD also provided information at the block group level on vacancy rates, foreclosures, and housing price declines. Cuyahoga County, Department of Development staff have twice worked with staff at the Federal Reserve Bank of Cleveland to utilize their proprietary modeling data on where foreclosures are likely to occur in the next 6, 12, and 18 month periods. The same models were utilized in the County's NSP1 application and in both instances the models predicted expanding risks of foreclosure into the suburban communities. Staff at the Department of Development believe that using the HUD developed "risk score" is the best comparable measure of local community housing distress. For that reason, the county has adopted the risk score of 17 to identify areas where its allocation of NSP3 funding can be used to address eligible activities.

NSP3 funds will be used for demolition, rental housing development (25% set-aside for very low income), and other eligible activities carried out by local communities, with funds awarded on a competitive basis. Eligibility for the competitive funding will be targeted to areas of greatest need as determined by block groups or aggregation of contiguous block groups with a "need score" of 17 or greater. All projects will benefit low-, moderate-, and middle-income persons under the area benefit, housing, and/or limited clientele requirements depending on the type of project selected for funding.

Grant applications will be scored by department staff with points being awarded for projects that will have 1) a noticeable impact on the area(s) proposed, 2) a community's demonstrated capacity to oversee grant funds, and 3) activities that are appropriate for the housing stock. Since projects will be selected on a competitive basis, the budget for each project is not known at this time. We expect to award \$1,148,190.00 of NSP3 funds for six 18-month grants: three Tier 1 grants will be awarded with a maximum of \$250,000 each to applicants with target areas having an impact score of two or greater, and three Tier 2 grants will be awarded from the remaining funds (at least \$398,190) allocated to this activity to applicants with target areas having an impact score of 1 or greater. No Tier 2 grant award will exceed \$150,000. Competitive grant applications will be made available to the twenty Cuyahoga County municipalities having block groups that meet the need score threshold as determined by data provided by HUD.

How Fund Use Addresses Market Conditions:

Communities that receive municipal grant funding will propose plans directly addressing the area's current housing stock in eligible block groups. The number of units to be addressed must be equal to or exceed the impact number as determined by HUD data. (This information will be provided to each of the twenty eligible communities on maps developed with the HUD "impact data" applied to each block group.) Proposed plans may include acquisition, rehab, new construction, and land banking of properties. Communities will be required to spend all grant funds within 18 months.

Funding for demolition will be tracked separately because the NSP3 regulations limit that activity a specific percentage of the NSP3 grant. As part of a community strategy, the need for demolition to support use of NSP3 funding to revitalize their NSP3 area is strongly encouraged and estimates of demolition funding needs will be encouraged to supplement a community's application. (The county is seeking a waiver from HUD to have the limit on demolition activities raised from 10% to 20% of our grant.)

Ensuring Continued Affordability:

HOME rules will be applied to determine what action is needed if a household occupying an NSP assisted rental unit experiences increased income above 50% of area median. No household will be required to move from an NSP assisted unit simply because its income has increased. All tenant protections required by the HOME program will also apply to rental of NSP assisted units. The number of NSP assisted units will be calculated as in the HOME program based on the percentage of total project costs paid by NSP funds. Fixed or floating units may be used on a project-by-project basis.

If ownership of a property is transferred during the affordability period, the recapture provisions, following the HOME regulations, will be applied.

Definition of Blighted Structure:

Because Ohio is a "rule" state, we will allow each community in which NSP funded demolition is carried out to determine when a residential structure contains specific physical defects which render it harmful to the public welfare and therefore require its demolition. No structure will be considered blighted for any reason other than specific physical defects – that is, functional obsolescence will not be considered in determining blight for NSP funded demolition.

Definition of Affordable Rents:

HOME program rules will be applied to NSP funded rental projects. The high HOME rent limit will apply to all NSP assisted units and the low HOME rent limit will apply to 20% of the NSP assisted units under the same conditions and exceptions as in the HOME program. The number of NSP assisted units will be calculated based on the percentage of the total project costs that are paid by NSP funds exactly as in the HOME program. Fixed or floating units may be used on a project-by-project basis.

Housing Rehabilitation/New Construction Standards:

Each foreclosed house purchased with NSP funding will be inspected by the local community under its regular point of sale inspection program. (Communities without a point of sale inspection program can participate in the NSP3 program if they agree to perform point of sale inspections on NSP3 assisted properties.) Funds must be escrowed as required by local ordinances with a minimum escrow of 100% of the estimated cost to repair code violations. A lead risk assessment will be carried out as required by HUD regulations and any area of deteriorated paint exceeding the de minimis amount of lead must be repaired by a person properly trained in lead safe work practices, with a subsequent clearance examination required.

All NSP assisted rental housing must be constructed or renovated, as applicable, in full compliance with the applicable local housing code and must pass any inspection required under local law to receive a certificate of occupancy.

Purchasers and developers will be encouraged to use energy efficient and environmentally friendly green construction techniques. All gut rehabilitation of new construction up to three stories shall be designed to meet the standards for Energy Star Qualified Homes. All gut rehabilitation or new construction of mid- or high-rise multifamily housing shall be designed to meet ASHRAE Standard 90.1-2004, Appendix G plus 20 percent.

Vicinity Hiring:

Recipients awarded funding will be required to comply with Section 3 regulations at 24 CFR 135 and, to the greatest extent feasible, provide for the hiring of employees who reside in the vicinity or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects, as defined by the Secretary of the U.S. Department of Housing and Urban Development for projects funded under an NSP3 grant.

Procedures for Preferences for Affordable Rental Dev.:

Twenty-five per cent of the Cuyahoga County's NSP allocation will be used to purchase and redevelop qualifying property, which will be rented to households with incomes at or below 50% of area median. Qualifying property includes vacant property as well as abandoned or foreclosed residential property. Vacant property may include the site formerly occupied by a demolished building and it may include non-residential buildings.

Grantee Contact Information:

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 Paul Herdeg, Housing Manager, Cuyahoga County Department of Development, 1701 E. 12th Street, 1st Floor, Cleveland, Ohio 44114, Telephone (216) 443-7257, Email pherdeg@cuyahogacounty.us
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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,551,533.00
Total CDBG Program Funds Budgeted	N/A	\$2,551,533.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00

Program Income Drawdown	\$0.00	\$0.00
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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	\$382,729.95	\$0.00
Limit on Admin/Planning	\$255,153.30	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$255,153.30	\$255,153.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$637,883.25	\$637,884.00

Overall Progress Narrative:

Through a competitive process five units of local government have been selected as subrecipients to carry out rehabilitation of vacant houses for sale to owner occupants, or rental to eligible households, with household incomes at or below 120% of Area Median. Awards and agreements with these five subrecipients are pending before Cuyahoga County Council. These five local governments will produce 11 new or rehabilitated houses.

An agreement with the Cuyahoga County Land Bank to carry out demolitions in targeted areas is also pending. This agreement will fund demolition of an estimated 56 vacant, blighted houses. One city will carry out its own demolitions.

Through an additional competitive process, one rental project was selected to carry out the set-aside activity of rehabilitation of a foreclosed apartment complex, for rental to households at or below 50% of Area Median income. An agreement with the developer of this property is pending. This project will produce 8 Cuyahoga County NSP3 assisted rental units out of 144 rental units total.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP3 1, Redevelopment - Rental for <=50% AMI (Set-aside)	\$0.00	\$637,884.00	\$0.00
NSP3 2, Redevelopment - Municipal Grants	\$0.00	\$1,148,190.00	\$0.00
NSP3 3, Demolish Blighted Structures	\$0.00	\$510,306.00	\$0.00
NSP3 4, Administration	\$0.00	\$255,153.00	\$0.00

Activities

Grantee Activity Number: NSP3-1

Activity Title: Redevelopment for Rental <=50%

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

NSP3 1

Project Title:

Redevelopment - Rental for <=50% AMI (Set-aside)

Projected Start Date:

06/01/2011

Projected End Date:

03/31/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

Cuyahoga County

Overall	Apr 1 thru Jun 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$637,884.00
Total CDBG Program Funds Budgeted	N/A	\$637,884.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Cuyahoga County	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Through a competitive process, one or more rental projects to redevelop vacant or foreclosed residential buildings or eligible vacant land will be selected. The number of NSP3 assisted units will depend on the ratio of NSP3 funding to the total project cost. All NSP3 assisted units will be affordable to, and actually rented to, households with incomes at or below 50% of area median.

Location Description:

Competitive funding will be available Countywide, with a preference for projects located outside the cities of Cleveland, East Cleveland, and Euclid, since these cities have their own NSP3 funds.

Activity Progress Narrative:

Through a competitive process, a rental project known as Hawks Landing was selected to receive a deferred loan of the \$637,884 of NSP3 funds set aside to develop housing units for households at or below 50% of Area Median Income. Cuyahoga County's NSP3 will fill a financing gap to make this project feasible. The project will rehabilitate a 144-unit, foreclosed, rental housing complex in the Puritas neighborhood of the City of Cleveland. Other financing sources will include HOME and NSP funds passed through the City of Cleveland, Low Income Housing Tax Credit equity, and tax exempt bonds. Cuyahoga County's NSP3 funds will be allocated to 8 units based on the percentage of Cuyahoga County's NSP3 funds to the \$12 million total project cost.

Accomplishments Performance Measures

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

#Sites re-used	0	0/1
#Units \geq other green	0	0/8

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/8
# of Multifamily Units	0	0/8

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/8	0/0	0/8	0
# Renter Households	0	0	0	0/8	0/0	0/8	0

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: NSP3-2

Activity Title: Redevelopment - Muni Grants

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

NSP3 2

Project Title:

Redevelopment - Municipal Grants

Projected Start Date:

06/01/2011

Projected End Date:

03/31/2013

Benefit Type:

Direct Benefit (Households)

Completed Activity Actual End Date:

National Objective:

NSP Only - LMMI

Responsible Organization:

Cuyahoga County

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$1,148,190.00
Total CDBG Program Funds Budgeted	N/A	\$1,148,190.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Cuyahoga County	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Communities will submit competitive applications for eligible NSP3 activities including land banking, redevelopment of vacant properties as housing only, and/or acquisition of foreclosed and abandoned residential properties for renovation and resale to income eligible homebuyers.

Location Description:

Communities with eligible block groups having a foreclosure risk score 17 or above will submit competitive funding proposals. All funded activities will be carried out in eligible block groups.

Activity Progress Narrative:

Through a competitive process Cuyahoga County has selected five local governments to acquire and rehabilitate vacant houses, and/or to build new houses on vacant lots formerly occupied by houses, for sale or rental to income eligible owner occupant households. The five local governments selected are:

City of Lakewood - acquire, rehabilitate, and resell 3 vacant houses

City of Bedford - acquire and demolish a vacant duplex house and build a new single family house

Village of Newburgh Heights - acquire, rehablitate, and resell 3 vacant houses

City of Shaker Heights - acquire, rehabilitate, and rent 2 vacant houses (nonprofit ownership)

City of Cleveland Heights - acquire, rehabilitate, and resell 2 vacant houses

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/8
#Sites re-used	0	0/8

#Units ζ other green 0 0/8

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/8
# of Singlefamily Units	0	0/8

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	0/8	0/8	0
# Owner Households	0	0	0	0/0	0/8	0/8	0

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:	NSP3-3
Activity Title:	Demolish Blighted Residential Structures

Activity Category:
Clearance and Demolition

Activity Status:
Planned

Project Number:
NSP3 3

Project Title:
Demolish Blighted Structures

Projected Start Date:
06/01/2011

Projected End Date:
03/31/2013

Benefit Type:
Area Benefit (Census)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
Cuyahoga County

Overall	Apr 1 thru Jun 30, 2011	To Date
Total Projected Budget from All Sources	N/A	\$510,306.00
Total CDBG Program Funds Budgeted	N/A	\$510,306.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Cuyahoga County	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Residential structures which have been declared blighted by the local municipality, using its own definition of blight, will be demolished.

Location Description:

Demolition of blighted residential structures will be carried out only in eligible block groups which have both a foreclosure risk score of 17 or above, and at least 51% Low-Moderate-Middle income population according to the NSP3 data supplied by HUD. Specific census tracts and block groups will be entered into the Action Plan when the specific demolition sites have been

Activity Progress Narrative:

An agreement with the Cuyahoga County Land bank is pending, to provide funds for the County Land Bank to demolish blighted vacant houses designated by local communities, within the areas permitted by NSP3 targeting. Among these demolitions will be demolitions planned by the five cities receiving subgrants to acquire and rehabilitate vacant houses and/or build new houses, to ensure that their required impact numbers are achieved. One of the five cities will carry out its own demolitions and receive reimbursement from NSP3 funds, instead of using the County Land Bank.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/50

This Report Period	Cumulative Actual Total / Expected
Total	Total

# of Housing Units	0	0/50
# of Multifamily Units	0	0/0
# of Singlefamily Units	0	0/50

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: NSP3-4

Activity Title: Administration

Activity Category:

Administration

Project Number:

NSP3 4

Projected Start Date:

10/01/2010

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

03/31/2014

Completed Activity Actual End Date:

Responsible Organization:

Cuyahoga County

Overall

Apr 1 thru Jun 30, 2011

To Date

Total Projected Budget from All Sources	N/A	\$255,153.00
Total CDBG Program Funds Budgeted	N/A	\$255,153.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$0.00	\$0.00
Program Funds Expended	\$0.00	\$0.00
Cuyahoga County	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

County staff and subrecipients and/or vendors will carry out eligible administrative activities including planning, monitoring, and evaluation.

Location Description:

Administration of the countywide Neighborhood Stabilization 3 Program.

Activity Progress Narrative:

Staff salaries and other administrative costs will be charged to this line item.

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
