

DRAFT

**2006 ANNUAL CONSOLIDATED ACTION PLAN
FOR HOUSING AND COMMUNITY
DEVELOPMENT PROGRAMS
EXECUTIVE SUMMARY**

**Community Development Block Grant
HOME Investment Partnership
Emergency Shelter Grant**



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**Warren L. Woolford, Director
Department of Planning and Urban Development**

**Donald L. Plusquellic, Mayor
City of Akron, Ohio
www.ci.akron.oh.us**

The City of Akron set forth the priority activities to be followed in the five year strategy as follows:

Priority based on household need:

1. Low Income Owner Household
2. Low Income Renter Household
3. Homeless Families and Individuals
4. Non-Homeless Special Needs Persons

Priority based on activity:

1. Neighborhood Rehabilitation, Owner-occupied Housing
2. Rental Housing Assistance and Rental Housing Rehabilitation
3. New Housing Construction
4. Acquisition of vacant lots and blighted properties.
5. Homebuyer Assistance
6. Support Facilities and Public Services
7. Homeless Persons, Individuals, and Families Assistance

The Consolidated Strategy includes a narrative describing the housing needs of low income families, homeless families and others with special needs who require supportive services. The Consolidated Annual Plan includes a one year budget for applying available resources to the needs identified.

INTRODUCTION 2006 CONSOLIDATED ACTION PLAN AKRON, OHIO

What is a Consolidated Strategy and Plan?

The Consolidated Action Plan for 2006 is a document which combines three federal Department of Housing and Urban Development Programs: Community Development Block Grants (CDBG), HOME Investment Partnerships (HOME), and Emergency Shelter Grants (ESG). The National Affordable Housing Act requires that, for certain federal Housing and Urban Development programs, the City of Akron must have an approved Consolidated Strategy and Plan. A copy of the five year strategy is available in the office of the Department of Planning and Urban Development, City of Akron.

Each year the City drafts an Action Plan which budgets funding for the fiscal year. The 2006 Action Plan is the second year of the five year strategy, (2005-2009).

What is the Goal of the Strategy and Plan?

The goal of the Consolidated Strategy and Plan is to provide a five year strategy and annual numerical goals to serve as a working guide for the use of federal resources to address local housing, quality of living, and economic needs. A strategic plan sets forth goals, objectives, and performance benchmarks for measuring progress and establishes a framework for measuring progress.

Statutory Program Purpose

The Consolidated Strategy and Plan must satisfy the minimum Congressional statutory requirements for Akron's three federal community planning and development formula programs: Community Development Block Grant, HOME Investment Partnership and Emergency Shelter Grant. Each of these programs must primarily benefit low and very low income persons. In addition, there are three goals for the CDBG program. The first is the elimination of slum and blight. The programs are to provide decent housing, including programs aimed at assisting persons to obtain affordable housing; retain decent, safe and sanitary affordable housing; and increase the availability of this housing. The second goal of the program is to provide a suitable living environment. The third major statutory goal is to expand economic opportunity.

Consolidated Strategy for 2005-2009

Housing and Community Development Objectives and Projects: The following describes the priorities and actions which the City of Akron intends to initiate over the five years from 2005-2009. The rationales for the priority need, obstacles to meeting need, the goal (number) of households assisted, the target population to be assisted through the program and the target date for completion were indicated in the five year strategy. The City has met with citizens and organizations to discuss elements of the 5 year strategy.

Coordinating and Managing the Process

The City of Akron, Department of Planning and Urban Development, is the lead agency in the coordination and management of the process and preparation of the Plan. The City will lead and coordinate the consolidated planning, submission and implementation process. The City will continue to be involved in activities over the coming year which enhance coordination between public and non-profit housing providers and private and public health and service agencies.

Consolidated Plan/Citizen Participation

In 2005, the City of Akron convened a series of meetings of interested citizens, community organizers, low-income neighborhood residents and others including affordable housing advocates, providers, social service agencies, homeless housing advocates, lending institutions and the Public Housing Authority. The 2006 Annual Plan represents the second year of the five year strategy. The following schedule is to be followed for the **2006 Plan**:

Public hearing on Housing and Community Development needs	August 25, 2005
Publish Akron's Consolidated Annual Plan in newspaper(s); Begin 30 day public comment period	October 7, 2005
Publish notice on Planning Commission Meeting	October 27, 2005
Planning Commission Public Hearing on Consolidated Plan and Analysis of Impediments	October 14, 2005
Akron City Council review	November 7, 2005
End 30 day public comment period	November 7, 2005
Submission of Annual Plan to Federal Department of Housing and Urban Development	November 10, 2005
Proposals due for CDBG and HOME	November 15, 2005
Program year begins	January 1, 2006

The citizen participation process over the years has led to several worthwhile programs such as the Neighborhood Petition Program, Neighborhood Partnership Program, the Neighborhood Grocery Initiative, Enhancing Emergency Shelter Funding and Support for Community Development/Non-Profit Housing Developers. These programs came as a result of citizen input at various meetings over the years.

Action Plan: Analysis of Impediments to Fair Housing Choice

As part of the Consolidated Plan process, the Fair Housing Task Force was established in June of 2000 to conduct an Analysis of Impediments to Fair Housing. Through a process of meetings, presentations and research, an action plan was developed. The Task Force will remain active on a quarterly basis to review concerns of Fair Housing Choice in Akron, Ohio. The Action Plan was submitted in March of 2001 to the Department of Housing and Urban Development and accepted. An update to the Plan was performed in October of 2004; and an annual revision scheduled for October 27, 2005.

A New Housing Strategy Initiated

For 30 years, the City of Akron utilized grants and loans towards the rehabilitation of the existing housing stock. Over 20,000 homes have been inspected and rehabilitated through a variety of housing programs.

The next phase towards improving Akron was initiated in 2004; the Akron Housing Program includes:

1. Neighborhood Redevelopment Program

Description: In the oldest parts of Akron, the City will promote the development of new residential construction, upgrade public infrastructure, and rehabilitate the remaining existing housing. New construction will occur by for-profit and non-profit builders with the assistance of the City.

The City will target areas usually no more than 100 properties in size; in naturally attractive areas where additional investment activity is occurring by our partners; acquire properties in these areas, relocate the families, and assemble the land for new development.

To date, the City has initiated activities in the Hickory Street Corridor and Cascade Locks area just north of downtown. The City identified other older neighborhoods for re-development after gaining input from City Council. Activity in these areas will last about three years. These included the Newdale Neighborhood, Hickory Street and the Elizabeth Park HOPE 6 Neighborhood.

2. Neighborhood Initiative Program

Description: The City's housing rehabilitation program became available to a wider area of the city--a second or middle ring of neighborhoods moving outward from the central city. This will be done on a petition basis. That is, property owners in these areas can circulate a petition among the other owners on the street to receive the City's financial assistance for housing rehabilitation.

Petition areas can range from two to four blocks and contain 20-80 structures. Petitioners will compete on the basis of the highest percentage of owners signing on

to the petition and distributing the program around the city. At least one petition from each ward was funded each two-year period. Planning Department staff began in early 2004 discussing the program in all wards. In fall 2003 petitions were circulated. Petitions were selected with work starting in 2004. To date, 15 initiatives areas in 10 wards have been selected for implementation; selected areas are underway.

3. Lead Hazard Reduction/Rehabilitation

Within the central part of the city, Akron has combined housing rehabilitation assistance with lead paint abatement activity by the Akron Health Department. Low-income homeowners with children six years old and under who are at risk for lead poisoning are eligible for this assistance. Additional grant funds are available from lead hazard control and lead hazard reduction demonstration programs. Special efforts will be made to target assistance to structures where there are children with elevated blood lead levels.

4. Housing Investment Assistance

The City has changed the benefits that it will offer property owners to improve their homes. Akron will make an investment in each property to improve its outward appearance and make sure that its major systems--heating, electrical and plumbing--are in good working order. The City will invest \$15,000 in each property that is rehabilitated in the Redevelopment Areas, the Lead Abatement areas, and the Neighborhood Initiative areas.

Property owners are eligible for a \$7,500 grant and a \$7,500 deferred loan. Low interest loans are available for owners wishing to make greater investment into their property.

5. Exterior Home Improvement Program

The City will offer housing support to low and moderate-income families who live in neighborhoods at the outer rings of the city's perimeter. Akron provides assistance to repair the outside of homes as needed. Assistance will be limited to less than \$5,000 and must address an identified housing code violation.

6. Neighborhood Blight Removal

In sound neighborhoods where there are deteriorated residential or non-residential properties, the City is prepared to acquire such properties and seek their removal. The property must be vacant and the owner must be a willing seller. Only fair market value will be offered for the purchase. The remaining lot must be of sufficient size that a new house can be built in its place.

7. Program Continuation

The City will continue to fund a number of programs that have proven their value over the years:

- I. Non-profit housing development – the City will provide subsidies to non-profit development corporations for the development of new housing or the acquisition, rehabilitation and sale of existing housing.
- II. Waiver demolition – the City will demolish a house or garage at no cost to the owner at the owner's request. The owner retains ownership of the lot.
- III. Minor Home Repair – small-scale assistance (\$4,000) to low-income homeowners or the elderly on a fixed income to correct an emergency problem.

The American Dream Downpayment Assistance Initiative (\$100,000 HOME Funds)

In December of 2003, President Bush signed legislation to enact the *American Dream Downpayment Initiative (ADDI)*. Local jurisdictions were provided a funding allocation based upon a formula of population. In 2005, the City received an additional allocation of \$62,174.

The American Dream Downpayment Initiative (ADDI) will enable many first-time homebuyers earning less than 80 percent of their community's median income to purchase their first home. ADDI funds may be used for downpayment, closing costs and, if necessary, rehabilitation in conjunction with home purchase.

To be eligible for ADDI assistance, individuals must be first-time homebuyers interested in purchasing single family housing. A first-time homebuyer is defined as an individual and his or her spouse who have not owned a home during the three-year period prior to the purchase of a home with ADDI assistance.

ADDI funds may be used to purchase one- to four- family housing, condominium unit, cooperative unit, or manufactured housing. Additionally, individuals who qualify for ADDI assistance must have incomes not exceeding 80% of area median income. Housing Development Organizations who currently have a contract with the City of Akron are eligible to refer their buyers for ADDI assistance. The City began reviewing cases utilizing the ADDI formula in the summer of 2004.

Through the City of Akron, Ohio ADDI program, a support grant of \$5,000 (maximum) for house at a ratio of \$2.5 to \$1 ratio, will be provided per case. The homeowner must provide a minimum of \$1,000 of buyer downpayment. The assisted home must be owner occupied.

The City's program is implemented utilizing neighborhood-housing organizations under contract with the City of Akron. The housing organization must identify the property buyer as an ADDI candidate in order to be reviewed for eligibility.

The homebuyer must have financing in-place prior to City approval; ADDI approval is on a project by project basis. The Department of Planning and Urban Development Grant Review Committee will approve ADDI funds for each qualifying buyer of property marketed by non-profit development organizations contractors with the City to provide affordable ownership opportunities.

The Housing Developer responsibility includes the following:

- Must have buyer information to determine eligibility with Grant Review package;
- Provide cost analysis in relation to rehab/new construction cost and sale Value; and,
- Determine net housing payment from buyer to assure affordability.

ADDI funds are a way for affordable housing to become more affordable for eligible homebuyers. The ADDI funds should assist at least 50 first time homeowners in the City of Akron to purchase homes through the life of the program.

Lead Demonstration Grant

The City of Akron and the County of Mahoning, Ohio have jointly received a grant of \$2.6 million under the U.S. Department of Housing and Urban Development Lead Hazard Reduction Demonstration Grant Program for FY 2003. The consortium formed by the two jurisdictions submitted a grant application for the maximum grant amount of \$4 million.

Grant funds will be used to reduce lead hazards and rehabilitate 225 units over the 42-month grant performance period. Approximately 150 of the units to be assisted are rental units now occupied or will be occupied by low-income families with children under the age of six.

It is estimated the \$2.6 million grant will leverage an additional \$4 to \$6 million in private and other governmental investment in lead hazard reduction/housing rehabilitation activities to protect low income families with young children from the dangers of lead based paint in older housing.

Locally, First Merit Bank is working with the City of Akron Housing Rehabilitation Program to assist owners to rehabilitate and reduce lead hazards in their homes. Other partners include East Akron Neighborhood Development Corporation and Nazareth Housing Development Corporation.

Other programs that will be undertaken or continued in 2006.

Section 108 Loan Repayments (\$500,000 CDBG)

The following projects are or will require Section 108 Loan repayments:

Cascade Hotel--In 1996, the City of Akron, Ohio provided loan assistance to a then new Ramada Plaza Hotel. The Hotel offers 292 rooms for the use of business travelers and families. An Economic Development Initiative Grant of \$300,000 was awarded to assist the projects opening.

Middlebury Grocery--In 1999, the City of Akron was awarded Section 108 funding for the development of the Middlebury Grocery Store and retail development. The process of environmental assessment identified the physical construction of the facility would need modification. Therefore, \$135,000 of 2004 Consolidated Plan funds committed to the Akron Initiative will be reallocated to support the grocery store structural improvement.

METRO Transfer Station--The City of Akron, Ohio supported the Section 108 Loan application for the Multi-modal Transportation Center; this facility will link all rail and transit users in the Akron area. The application is for an approximately \$3.5 million in loans. This center will improve connectivity between several modes of transportation by hosting AMTRAK, the Cuyahoga Valley Scenic Railroad, proposed Cleveland-Akron-Canton Commuter Rail services, Greyhound bus service METRO RTA, and taxis. This facility will become the main hub for METRO buses. The City received funding under the 2005 Highway Act in support of this project.

Market-Forge Urban Renewal Area--In 2004, the City of Akron, Ohio applied for \$8 million in Section 108 Loan Guarantee for land assembly to assist the expansion of a local auto dealer and the development of an auto mall. The project will provide job retainment and creation and provides a location near the Central Business District.

The repayments for METRO and Market-Forge projects will be direct payments from the Economic Development allocation of the City's CDBG program.

2006 ANNUAL CONSOLIDATED PLAN FOR HOUSING AND COMMUNITY DEVELOPMENT PROGRAM

The City of Akron, Ohio has prepared an Annual Plan for 2006 which includes the budget for the 2006 federal Community Development Block Grant, the HOME Partnership Program and the Emergency Shelter Block Grant Program.

The City of Akron anticipates committing \$10,170,000 in total program funding including \$6,775,000 in Community Development Block Grant funds; \$2,645,000 in HOME funds and \$300,000 in Emergency Shelter Block Grant funds. Of these funds, approximately \$450,000 is program income.

The proposed plan includes the following initiatives: Conclusion of the Neighborhood Improvement Program; Petition Program; Emergency Home Repair (city-wide); Non-

Profit Community Housing Projects (CHDO and non-profit service areas); UNDC New Construction (Community Development Activity Area; Neighborhood Partnership Program; Paint programs (Non-profit service area); Waiver Demolition Program (Community Development Activity Area); Emergency and Transitional Shelter Housing (city-wide); Small Business Assistance Program; Neighborhood Business Districts Program; Section 108 Loan Repayments; Community Learning Center Inclusion Plan; New Housing Incentives; Supportive Housing; Community Services Programs including programs supporting Education, Fair Housing, the Arts, Security and Health; Support for Hope VI Project at Elizabeth Park; and General Administration.

At least 70% of the Community Development funds are estimated to be used for activities that principally benefit low-income persons. One hundred percent of HOME funds are estimated to be used for activities that benefit low-income persons. In addition, HOME funds must be utilized to achieve Housing quality standards. One hundred percent of the ESG funds will be used for activities that benefit low-income persons.

CDBG /HOME/ESG Budget (10% REDUCTION)

	2006		
	TOTAL CDBG HOME		
Clearance, Land Assembly and Housing Development			
CHDO/ CDC Housing	930	0	930 1
Acq/Reloc/Clear	800	800	0 2
HOPE VI	600	0	600 3
Demolition	500	500	0 4
UNDC	250	150	100 5
	3080	1450	1630
 Rehab Loan and Grants	 1225	 625	 600 6
 Public Improvements	 1200	 1200	 0 7
 Economic Development			
Sec. 108 Repayment	500	500	0 8
Neighborhood Business Districts	100	100	0 9
	600	600	0
 Other Housing			
emergency and Transitional *	320	20	0 10
Minor Home Repair	275	275	0 11
CDC Support	155	30	125 12
American Dream	100	0	100 13
Disability Modifications	50	50	0 14
Paint Program	<u>35</u>	<u>35</u>	<u>0</u>
Subtotal	935	410	225
 Public Services			
Human Resources	300	300	0 15
Neighborhood Partnership Program	50	50	0
Subtotal	350	350	0
 Program Implementation	 2320	 2070	 250
General Administration	<u>460</u>	<u>270</u>	<u>190</u>
	2780	2340	440
 Consolidated Plan Total	 10170	 6975	 2895

* \$300,000 ESGP

**2006 CDBG/HOME/ESG BUDGET
(10% Reduction)
REVISED (10-3-05)**

1. CHDO/CDC Housing at \$930,000 for new/or rehabilitated owner or rental housing

HOME:

WENDCO New Beginnings – (year 2 of 2) \$147,000
Alpha's – Callis Tower (year 2 of 2) \$300,000
Mustard Seed – Faith (year 2 of 2) \$180,000
Humility of Mary - \$200,000
EANDC – \$105,000

2. Acquisitions/Relocation/Clear. Budget at \$800,000. Emphasis on ARC in Elizabeth Park.
3. Elizabeth Park HOPE VI \$600,000. HOME funds for construction.
4. Waiver Demolition at \$500,000. Includes asbestos, commercial structures, garages, residential structures.
5. UNDC at \$250,000--\$150,00 CDBG and \$100,000 HOME. Assumes 10 new homes at \$25,000 each.
6. Loans and Grants @ \$1,225,000; 57 CDBG (@ \$10,842) and 40 HOME – (@ \$14,447 per case).
7. CIP Budget at \$1.2 million.
8. Section 108 Repayment for METRO Transfer Station and Market Forge. Assumes 1 year payment for METRO and 6 month payment for Market/Forge.
9. NBD Budget at \$100,000 includes business property improvement in Temple Square, Spicertown and Kenmore.
10. Implementation of Homeless Management Information System (HMIS) at \$20,000 (CDBG), and ESGP \$300,000.
11. Minor Home Repair Budget at \$275,000. \$175,000 for Rebuilding Together with Christmas in April; \$100,000 for Exterior Improvement Program.
12. CDC Support \$175,000 for operating costs of CDC's. EANDC, WENDCO, KDP, Nazareth and Mustard Seed at \$30,000 each.
13. Down payment assistance to low-income first-time homebuyers.

14. Agreement with Tri-County Independent Living.
15. Community Services Program (Human Resources) at \$300,000.

Program Recommendations:

Housing Rehabilitation

- decrease grant to \$5,000
- Increase deferred loan to \$10,00

Demolition Program

- increase Commercial Waiver demolition to \$5,000

CDC Support Grants

- create minimum performance standards
 - for rehab only - \$0
 - 5 new construction
 - 7 buy/rehab/sell
- Business District Development Partnership
 - marketing and business recruitment
 - T. A. application
 - Kenmore, Temple Square, Spicertown

