

# City of Dayton



## **Amended Neighborhood Stabilization Plan 3 (NSP 3)**

### **2010 ACTION PLAN**

### **SECOND SUBSTANTIAL AMENDMENT**

June 24, 2011



# City of Dayton

## Mayor

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## 1. NSP3 Grantee Information

| NSP3 Program Administrator Contact Information |   |
|--|---|
| Name (Last, First)                             | McIntosh, Valerie   |
| Email Address                                  | <a href="mailto:valerie.mcintosh@daytonohio.gov">mailto:valerie.mcintosh@daytonohio.gov</a> |
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## 2. Areas of Greatest Need

### Map Submission

The maps generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website are included as an attachment.

### Data Sources Used to Determine Areas of Greatest Need

**Describe the data sources used to determine the areas of greatest need.**

Response:

We used data from the City's biennial residential property survey that describes the location and condition of residential properties on a scale from 1 to 5; the city's Nuisance Abatement Program data on location, number of units, demolition cost, and status of current nuisance structures, along with the number and location of all units demolished in the city from 2003 through 2010.

From HUD's NSP Mapping Widget we used data for each neighborhood describing: the NSP3 Need Score; the total number of housing units; the percentage of persons at less than 120% and less than 80% of Area Median Income.

From the same mapping widget we used USPS data for each neighborhood that estimated: the total number of residential units in March, 2010, the number of vacant residential units and the number of units of unknown vacancy status in March, 2010.

Finally, from the mapping widget we used foreclosure estimate data for each neighborhood describing: the number of total housing units to receive a mortgage from 2004 to 2007; HMDA's percentage of housing units with a high cost mortgage from 2004 to 2007; the percentage of housing units with a mortgage at least 90 days past due or in foreclosure; the Mortgage Bankers Association's number of foreclosure starts in the past year; the Realty Trac number of Real Estate Owned (REO) units from July 2009 to June 2010 and the minimum number of units needed to make an impact in the target area (20% of the last years REOs).

The programs proposed in the City's NSP3 plan will result in the stabilization of the neighborhoods through the elimination of blighting properties, the renovation of foreclosed homes for sale and for rent to income eligible households, and new construction activities to complement existing redevelopment efforts.

In order to ensure that NSP3 funds are used for activities that make a tangible impact within the selected target areas, staff analyzed eligible census tracts and the potential of acquiring foreclosed properties to stabilize the neighborhood and increase the health of the housing market within these target areas. The result is to narrow the NSP1 and NSP2 target geography for the NSP3 program. NSP3 funds will be used to expand and enhance the current efforts of the NSP1 and NSP2 programs and other redevelopment activities underway in the target areas. Given the high vacancy rates and very low absorption rates, the NSP3 program as a whole will seek to demolish at least 300 blighted housing units, purchase and rehabilitate up to 40 units, and land for future sale or rental to low- to moderate-income households. As a targeted approach, the City's NSP3 program is proposing to address 42 census tracts within the eligible

target areas. Through analysis, staff believes that the program outlined in this application will make a significant improvement to the stability and marketability of the targeted neighborhoods.

The housing market within the target areas has suffered from an increasing vacancy rate. With job opportunities waning, the region has witnessed a dramatic loss in population, especially within the City of Dayton. Since reaching its peak in the 1960s census the City, the region's core, has lost 110,000 residents or 42% of its peak population of 262,000. This population loss leaves empty homes and businesses in the region. Vacant homes that languish for long periods of time have the effect of making adjacent homeowners less likely to maintain and reinvest in their own properties. The deferred maintenance and continued vacancy begins the process of disinvestment that has spiraled into the target areas, which are now characterized by substantial numbers of foreclosed, abandoned, and vacant residential properties.

The elimination of blight is a key aspect of the City's strategy. With property values and population declining, and vacancy rates on the rise, the City must "right-size" the housing market through the elimination of blight, before any redevelopment efforts will be sustainable. The City will encourage the reuse of the demolished properties by providing incentives to income eligible households to expand their yards. The City will also use land banking as a way to develop new open space and pocket park areas, as well as community gardens and other community amenities with NSP3 funds. The City of Dayton's NSP3 program plans to undertake various methods to stabilize the targeted neighborhoods including:

1. NSP Eligible Use B: Acquisition and Rehab;
2. NSP Eligible Use C: Land Bank;
3. NSP Eligible Use D: Demolish blighted structures; and,
4. NSP Eligible Use E: Redevelopment;

During the development of the City's NSP2 program, a market study was conducted to aid in determining the needs of the community and the best use for stabilization funds. Results from this study have been considered in developing the City's NSP3 program. The market study had the following observations and recommendations (the complete market study is available upon request):

1. Market values appear to be in a range that would permit revitalization or new construction to take place in the private sector without the application of public funds once the catalyst for change is introduced in a target area.
2. Sales prices of revitalized housing units do not appear to be affected by the existence of dilapidated homes in a neighborhood as long as a sufficient percentage of housing units in the inventory have been revitalized, or will be revitalized in the near future. Sales prices as high as \$170 per square foot of living area were observed in the public record for revitalized homes in the prior project areas. Multiple homes transferred at prices in excess of \$100 per square foot of living area in all three prior project areas. This compared to sales prices prior to revitalization of \$1.00 per square foot in some cases.
3. Revitalization can be rewarded and market values improved over the long-term if revitalization neighborhoods are readily definable areas and the progress of revitalization affects a sufficient number of housing units in the target area(s) to be recognized by even casual observers of the marketplace. Approximately 400 units per year could be absorbed in the target areas once revitalization has gained momentum.
4. The income of existing households in the target areas suggests that the revitalization effort will be accompanied by a transition of households in the revitalization project neighborhoods.
5. Rental housing will comprise a significant percentage of housing units even in the revitalized neighborhoods. The inventory of rental housing must be revitalized to provide support for the revitalized homes to be sold and enable the entire inventory of housing to move upward to new market thresholds of

value. The ownership and rental housing inventory must be mutually supportive in terms of the economics of value in the target areas.

Capitalizing on the NSP2 market study, the City continues to follow the recommendation that redevelopment activities should be focused where blight elimination is taking place in the target areas. Areas with relatively low vacancies and few blighted structures will be targeted for NSP3 Eligible Use E. Partnerships with local lending institutions and Realtors® established through NSP1 and NSP2 will be expanded to provide incentives for LMMI homebuyers to purchase foreclosed homes with NSP3 funds. The City's NSP2 homeownership assistance program design will be used to assist homeowners in purchasing NSP3 homes. Program highlights are as follows:

- Minimum borrower contribution is the greater of 1% of the purchase price or \$1,000.00
- Interest rate 3-5% (varies)
- No private mortgage insurance
- Mortgage buy downs of up to 10% of the purchase price
- Up to \$50,000.00 per property can be provided for property rehabilitation
- 30 year fixed rate mortgage
- Flexibility on credit history; non-traditional can be accepted
- No foreclosure or bankruptcy in the last 36 months
- For borrowers at or below 120% of area median income (grid provided)
- Eligible for properties in targeted neighborhoods and census tracts
- Single family or 2 unit properties to be owner occupied
- Additional benefits for recent college graduates

#### Rental Strategy

Throughout the City, rental housing comprises a significant percentage of housing units even in the revitalized neighborhoods. The inventory of rental housing must be revitalized to provide support for the revitalized homes to be sold and enable the entire inventory of housing to move upward to new market thresholds of value. The ownership and rental housing inventory must be mutually supportive in terms of the economics of value in the target areas.

Based on the City's NSP3 allocation of \$3,115,780, the City will have an obligation to expend 25% of these funds (\$778,945) to provide housing for persons with an income of 50% AMI or below. These funds will be used to primarily provide approximately 30 rental housing and permanent supportive housing units for very-low income persons. Since this income targeting requirement was present with NSP1 and 2 funds, the City has been engaged with various housing providers to meet this obligation. The set-aside requirement will be met by partnering with local non-profit housing agencies that target this clientele, such as Habitat for Humanity, St. Mary Development Corp., and Dayton Metropolitan Housing Authority.

The City will ensure continued affordability for NSP3 income eligible households through deed restrictions and specific language regarding affordability in respective grant/loan notes. In considering multi-family rental units purchased utilizing NSP3 funds and conveyed to a non-profit organization, language regarding affordability will be included in the agreement and deed restrictions will be required. In most instances, the clientele being served by a particular non-profit organization will already meet the income guidelines for lower rents.

The City will follow the applicable HOME regulations for the purposes of establishing and maintaining the affordability of the units. Certain capital project funding sources, such as low income housing tax credit, incomes and rents must be maintained for 15 years, and following the compliance period, the owner must enter into an extended use period of an additional 15 years by filing a Restrictive Covenant on the

development with the County Recorder.

To ensure that affordability guidelines are adhered to, the City will enforce deed restrictions on applicable projects. The City will also conduct regular monitoring of each project to verify that applicable rules and regulations (including affordability periods) are being followed. For homeownership units, the City will utilize the HOME recapture provision to ensure affordability.

In order to ensure there is steady stream of families able to rent or purchase homes that are funded with NSP3 funds, the City is partnering with HUD approved counseling agencies. The City funds various homebuyer education courses and homebuyer fairs that develop families and promote available units. Since time is of the essence, the City may enter into contracts with various Realtors© to market and sell the available homes. The City consults with agencies such as the City of Dayton Human Relations Council and the Miami Valley Fair Housing Center to ensure appropriate affirmative marketing techniques and address fair housing compliance. These agencies are also contracted to provide fair housing education to Realtors© through the local Board of Realtors©.

Additionally, the City has procured marketing and public relations services currently being used for the NSP1 and NSP2 programs. These services will be carried over into NSP3. These services are being used to market current City of Dayton NSP homes. The marketing elements include television, outdoor and newspaper advertising; collateral material such as QR codes, over-sized postcards, partner counter cards, posters, statement stuffers, site signs, and a stand alone web-site. The marketing elements will be used to attract potential homebuyers, and to increase the awareness of NSP efforts to the community at large.

## **Determination of Areas of Greatest Need and Applicable Tiers**

**Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.**

Response:

We began by mapping all of the census tracts in the city that were identified by HUD as having a Need Score of 17 (the state minimum) or higher. We then mapped all of the demolitions of the past eight years, mapped all future demolitions currently funded, and mapped all the city schools and other public investment projects.

We removed from consideration those areas that had very few nuisance structures, removed those areas that had sufficient funds already committed to redevelopment, and began to identify sections of main thoroughfares that appeared to have a substantial number of vacant and nuisance structures, especially those adjacent to new schools and other redevelopment projects.

NSP3 Areas of Greatest Need (Attached HUD maps indicate eligible Census Tracts)

Priority Areas:

1. Upper Salem Avenue Corridor
2. North Main & Riverdale
3. Germantown Street
4. East Fifth Street Corridor
5. East Third Street Corridor
6. Cambridge/Oxford
7. Rosa Parks
8. West Third Street Corridor
9. Dayton View

### 3. Definitions and Descriptions

#### Definitions

| Term               | Definition   |
|--------------------|--|
| Blighted Structure | <p>The City of Dayton adheres to the following definition and guidelines for placing blighted structures in its Nuisance Abatement Program.</p> <p>City of Dayton Revised Code of General Ordinances- Building Regulations (152.01)</p> <p>Public Nuisance. Any underground container or storage tank, fence, wall, garage, shed, house, lot, building, structure, tree, pole, smoke stack, or any excavation, basement, cellar, well, cistern, sidewalk subspace, walks, driveways, terrace steps or parts thereof, which has any or all of the conditions or defects hereinafter described shall be deemed to be a public nuisance</p> <p>I. The following conditions or defects shall constitute a public nuisance when they endanger the life, health, property, safety, or welfare of the public, or of any current or prospective occupants:</p> <p>14</p> <p>(a) Whenever the premises are a deteriorating and blighting influence on nearby properties by reason of continued vacancy and a lack of reasonable or adequate maintenance of structures and grounds.</p> <p>(b) Whenever any portion of a building or structure remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned for a period in excess of six months so as to constitute such building or portion thereof an attractive nuisance or hazard to the public.</p> <p>(c) Whenever any building or structure is in such a condition as to constitute a public nuisance known to the common law or as defined by statute.</p> <p>(d) Whenever any building or structure is determined to be a fire hazard.</p> <p>(e) Whenever a building or structure, used or intended to be used for dwelling purposes, because of inadequate maintenance, dilapidation, decay, damage, faulty construction or arrangement, inadequate light, air or sanitation facilities, or otherwise, is determined to be unsanitary, unfit for human habitation or in such a condition that is likely to cause sickness or disease.</p> <p>(f) Whenever any building or structure, whether or not erected in accordance with all applicable laws and ordinances, has in any non supporting part, member or portion less than 50 percent, or in any supporting part, member or portion less than 66 percent of the:</p> <ol style="list-style-type: none"> <li>1. Strength;</li> <li>2. Fire-resisting qualities or characteristics; or</li> <li>3. Weather-resisting qualities or characteristics required by law in the case of a newly constructed building of like area, height and occupancy in the same location.</li> </ol> <p>(g) Whenever any building or structure has been constructed, exists or is maintained in violation of any specific requirement or prohibition applicable to such building or structure provided by the building regulations of this city, as specified in the Unified Building Code or Housing Code, or of any law or ordinance of this state or city relating to the condition, location, or construction of buildings.</p> <p>(h) Whenever the building or structure has been so damaged by fire, wind, earthquake or flood, or has become so dilapidated or deteriorated as to become:</p> <ol style="list-style-type: none"> <li>1. An attractive nuisance to children;</li> <li>2. A harbor for vagrants, criminals or immoral persons; or as to</li> <li>3. Enable persons to resort thereto for the purpose of committing unlawful or immoral acts.</li> </ol> <p>(i) Whenever the building or structure, exclusive of the foundation, shows 33 percent or more damage or deterioration of its supporting member or members, or 50 percent damage or</p> |

|                  |   |
|------------------|---|
|                  | <p>deterioration of its non-supporting members, enclosing or outside walls or coverings.</p> <p>(j) Whenever the exterior walls or other vertical structural members list, lean or buckle to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one third of the base.</p> <p>15</p> <p>(k) Whenever, for any reason, the building or structure, or any portion thereof, is manifestly unsafe for the purpose for which it is being used.</p> <p>(l) Whenever the building or structure, or any portion thereof, because of:</p> <ol style="list-style-type: none"> <li>1. Dilapidation, deterioration or decay;</li> <li>2. Faulty construction;</li> <li>3. The removal, movement or instability of any portion of the ground necessary for the purpose of supporting such building;</li> <li>4. The deterioration, decay or inadequacy of its foundation; or</li> <li>5. Any other cause; is likely to partially or completely collapse.</li> </ol> <p>(m) Whenever any portion thereof has cracked, warped, buckled or settled to such an extent that walls or other structural portions have materially less resistance to winds or earthquakes than is reasonably safe.</p> <p>(n) Whenever any portion of a building, or any member, appurtenance or ornamentation on the exterior thereof is not of sufficient strength or stability, or is not so anchored, attached or fastened in place so as to be capable of resisting a wind pressure of one half of that specified in the Building Code for new buildings of similar structure, purpose or location without exceeding the working stresses permitted in the Building Code for such buildings.</p> <p>(o) Whenever any portion or member or appurtenance thereof is likely to fall, or to become detached or dislodged, or to collapse and thereby injure persons or damage property.</p> <p>(p) Whenever any portion thereof has been damaged by fire, earthquake, wind, flood or by any other cause, to such an extent that the structural strength or stability thereof is materially less than it was before such catastrophe and is less than the minimum requirements of the Building Code for new buildings of similar structure, purpose or location.</p> <p>(q) Whenever the stress in any materials, member or portion thereof, due to all dead and live loads, is more than one and one-half times the working stress or stresses allowed in the Building Code for new buildings of similar structure, purpose or location.</p> <p>(r) Whenever the walking surface of any aisle, passageway, stairway or other element of a means of egress is so warped, worn, loose, torn or otherwise unsafe as to not provide safe and adequate means of exit in case of fire or panic.</p> <p>(s) Whenever any door, aisle, passageway, stairway or other element of a means of egress is not of sufficient width or size or is not so arranged as to provide safe and adequate means of egress and creates a serious hazard.</p> <p>II. The following conditions shall constitute a public nuisance:</p> <ol style="list-style-type: none"> <li>(a) That which is defined as a nuisance in R.C. § 3767.01(c), which is incorporated herein by reference and made a part hereof.</li> <li>(b) That which is defined as a nuisance in R.C. § 4301.73, which is incorporated herein by reference and made a part hereof.</li> </ol> <p>16</p> <p>(c) Premises or real estate, including vacant land, on which a felony violation occurs of Chapter 2925 or 3719 of the Ohio Revised Code occurs, regardless of whether there has been a conviction for said violation.</p> |
| Affordable Rents | <p>Affordable rents will be defined according to the City of Dayton’s current HOME Investment Partnerships Program.</p>   |

| FY 2010 Income Limits Summary   |                          |  |             |             |             |             |             |             |             |             |  |
|---------------------------------|--------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--|
| Montgomery County, Ohio         |                          |  |             |             |             |             |             |             |             |             |  |
| FY 2010<br>Income<br>Limit Area | <u>Median<br/>Income</u> | FY 2010<br>Income<br>Limit<br>Category                   | 1<br>Person | 2<br>Person | 3<br>Person | 4<br>Person | 5<br>Person | 6<br>Person | 7<br>Person | 8<br>Person |  |
|                                 |                          | <u>Very Low<br/>(50%)<br/>Income<br/>Limits</u>          | \$21,600    | \$24,700    | \$27,800    | \$30,850    | \$33,350    | \$35,800    | \$38,300    | \$40,750    |  |
| Montgomery<br>County            | \$61,700                 | <u>Extremely<br/>Low<br/>(30%)<br/>Income<br/>Limits</u> | \$12,950    | \$14,800    | \$16,650    | \$18,500    | \$20,000    | \$21,500    | \$22,950    | \$24,450    |  |
|                                 |                          | <u>Low<br/>(80%)<br/>Income<br/>Limits</u>               | \$34,550    | \$39,500    | \$44,450    | \$49,350    | \$53,300    | \$57,250    | \$61,200    | \$65,150    |  |

## Descriptions

| Term                             | Definition   |
|----------------------------------|--|
| Long-Term Affordability          | The City adheres to HUD's generally accepted definition of affordability. To be considered an affordable unit, a household is to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.  |
| Housing Rehabilitation Standards | Housing assisted with NSP funds must meet local building, housing and zoning codes in compliance with 24 CFR, Part 92.251. Homes to be rehabilitated after transfer of ownership interest must follow guidelines as stipulated in 24 CFR, Part 92.251(b). All repairs must be done in accordance with local building code standards. Properties renovated with any source of HUD funding must meet all building code standards when the renovation is complete.  |
| Vicinity Hiring                  | The City of Dayton and its Subrecipients, Contractors, and Subcontractors will be required to comply with vicinity hiring as a condition of receiving NSP3 funds. In order to encourage vicinity hiring the City will reach out to contractors who plan to hire as a result of rehabilitation activities, and request that they hire within the proposed target areas. Contractors will also be encouraged to purchase materials and contract with small businesses that are owned and operated by persons residing in the vicinity of the NSP projects.   |
| Energy Efficient Rehab Standards | The City is advancing affordable housing past the traditional limits of a purchase price or a percentage of income. Affordable housing is defined as housing that is affordable to purchase, to operate, and to maintain. NSP3 homebuyers will enjoy an energy efficient, water efficient, and material efficient home. All new construction will be Energy Star rated homes. To that end, the City has established the following <b>GREEN BY DESIGN</b> guidelines: (all specifications and product recommendations will come from the Energy Star website at <a href="http://www.energystar.gov">www.energystar.gov</a> .) |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• <b>ENERGY STAR</b> Windows</li> <li>• <b>ENERGY STAR</b> Furnace and Air Conditioning, Energy Star estimates a 10% reduction in annual energy costs with the installation of a high efficiency furnace</li> <li>• Programmable Thermostat</li> <li>• Energy Efficient Lighting Package, compact fluorescent lights (CFL’s) use 75% less energy than incandescent lights, the City proposes to install CFL’s in the fixtures used most often, use T-8 bulbs in all fluorescent fixtures</li> <li>• <b>ENERGY STAR</b> Rated Appliances and Water Heaters, Energy Star appliances use 10-50% less energy and water than standard models</li> <li>• Eco-Friendly Flooring, the City will consider carpet that is made from recycled material and is recyclable</li> <li>• Properly Installed Insulation In the Attic, Walls, and Crawl Space; attics to R-38; walls to R-13; crawl spaces to R-19. Energy Star estimates up to 20% savings on heating cooling costs using such standards</li> <li>• Sealing of Duct Work</li> <li>• Caulking and Weather Stripping of Windows, Doors, &amp; Outlets</li> <li>• Use of Low VOC Paints, Caulks, Sealants, &amp; Adhesives</li> <li>• Water Conservation</li> </ul> <p>By adhering to these guidelines, the City is striving to provide a home that will become an asset to the homeowner and to the community. According to the EPA the average family spends \$1,900 a year on energy bills. With <b>ENERGY STAR</b>, a NSP3 homeowner can save more than 30%, or \$700 per year.</p> <p>These Green By Design Standards will be included in each sub-recipient agreement and the City will offer training opportunities for rehabilitation contractors who are not familiar with the standards. Homes will be rated prior to rehabilitation by qualified Home Energy Raters to determine the best energy saving features and to independently verify the energy efficiency savings and rating.</p> |
|--|--|

**4. Low-Income Targeting**

**Low-Income Set-Aside Amount**

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

**Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.**

Response:  
 Total low-income set-aside **percentage** (must be no less than 25 percent): 25.00%  
 Total funds set aside for low-income individuals = \$778,945.00

**Meeting Low-Income Target**

**Provide a summary that describes the manner in which the low-income targeting goals will be met.**

Response:

The City will commit \$778,945.00 of its NSP3 funds to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income. This total amount represents 25% of the City’s NSP funding. The following is a brief description of the projects to be funded to meet this need:

NSP funds will be allocated to projects such as the construction of housing on vacant and abandoned lots in eligible areas for residents having incomes at or below 50% AMI; and, funding to support the purchase and rehab of single and multi-family units that have been abandoned or foreclosed in NSP3 targeted neighborhoods.

**5. Acquisition and Relocation**

**Demolition or Conversion of LMI Units**

|   |     |
|---|-----|
| Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)? | Yes |
|---|-----|

If yes, fill in the table below.

| Question  | Number of Units |
|---|-----------------|
| <p>The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.</p> <p>The City of Dayton proposes to demolish up to 300 vacant, blighted structures will occur in areas of greatest need and in other targeted eligible areas that are at 80% AMI and below. In order to strategically carryout demolition activities, The City of Dayton requests a waiver to use 50% of its NSP3 allocation over the allowable 10 percent. The decision to focus on demolition versus rehabilitation is due to the fact that since the 2007 American Community Survey, estimates show that the Dayton Region has lost approximately 120,000 residents. According to the 2010 American Community Survey, The City of Dayton has approximately 17,000 vacant housing units. This equates to a 20% vacancy rate, which leads to a decline in housing values, neighborhood stability and a loss of confidence among residents.</p> <p>The City of Dayton’s greatest need is to reduce the number of vacant, blighted structures that are threatening the stability of our neighborhoods. Increasing the supply of housing may continue to spur the vacant housing situation, and due to the population loss and the credit-financing crisis, there is a high probability that no buyers would exist for the renovated homes.</p> | 300             |
| The number of NSP affordable housing units made available to low- , moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by  |                 |

|   |    |
|---|----|
| <p>each NSP activity providing such housing (including a proposed time schedule for commencement and completion).</p> <p>The number of NSP3 affordable housing units made available to low- , moderate-, and middle-income households, will be approximately 8 through purchase/rehab activities.</p>                     | 8  |
| <p>The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.</p> <p>Approximately 35 dwelling units are expected to be made available for households whose income does not exceed 50 percent of area median income will be.</p> | 35 |

## 6. Public Comment

### Citizen Participation Plan

|  |
|--|
| <p><b>Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.</b></p>  |
| <p>Response:</p> <p>The City of Dayton held its public comment period from June 21 thru July 6, 2011. During this time the Substantial Amendment was posted on the City of Dayton’s website at <a href="http://www.daytonohio.gov">www.daytonohio.gov</a> under the Department of Planning and Community Development. Copies of the draft were made available by contacting Valerie McIntosh in the Department of Planning &amp; Community Development. The City also held a public hearing summarizing the content of the Substantial Amendment on July 11, 2011.</p> |

### Summary of Public Comments Received.

There were no citizens comments submitted on the Substantial Amendment.

## 7. NSP Information by Activity

Enter each activity name and fill in the corresponding information.

| Activity Number 1                  |  |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
|------------------------------------|--|--------------------------|--------------------------------------|--------------------------|--|---|------------------------------|--------------------------|----------------------------|--------------------------|-------------------------------|
| <b>Activity Name</b>               | Land Banking   |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| <b>Uses</b>                        | <p>Select all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Eligible Use A: Financing Mechanisms</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use B: Acquisition and Rehabilitation</td> </tr> <tr> <td>x</td> <td>Eligible Use C: Land Banking</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use D: Demolition</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use E: Redevelopment</td> </tr> </table> | <input type="checkbox"/> | Eligible Use A: Financing Mechanisms | <input type="checkbox"/> | Eligible Use B: Acquisition and Rehabilitation | x | Eligible Use C: Land Banking | <input type="checkbox"/> | Eligible Use D: Demolition | <input type="checkbox"/> | Eligible Use E: Redevelopment |
| <input type="checkbox"/>           | Eligible Use A: Financing Mechanisms   |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| <input type="checkbox"/>           | Eligible Use B: Acquisition and Rehabilitation   |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| x                                  | Eligible Use C: Land Banking   |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| <input type="checkbox"/>           | Eligible Use D: Demolition   |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| <input type="checkbox"/>           | Eligible Use E: Redevelopment  |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| <b>CDBG Activity or Activities</b> | Land Banking/Redevelopment   |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| <b>National Objective</b>          | LMMA   |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |
| <b>Activity Description</b>        | NSP3 funds will be used to establish a Land Bank for future sale or rental to low- to moderate-income households. The Land Bank will target NSP3 neighborhoods of highest priority. If other funding becomes available, the grantee may undertake new construction, redevelopment (possibly involving prior on-site  |                          |                                      |                          |  |   |                              |                          |                            |                          |                               |

|                                  |   |  |
|----------------------------------|---|--|
|                                  | demolition) or rehabilitation. Five-ten households are anticipated to be served through new construction, redevelopment or rehabilitation.  |  |
| <b>Location Description</b>      | NSP3 Areas of Greatest Need<br>Priority Areas:<br><ol style="list-style-type: none"> <li>1. Salem Avenue Corridor</li> <li>2. Main &amp; Riverdale</li> <li>3. Germantown</li> <li>4. East Fifth Street Corridor</li> <li>5. East Third Street Corridor</li> <li>6. Cambridge/Oxford</li> <li>7. Rosa Parks</li> <li>8. West Third Street Corridor</li> <li>9. Dayton View</li> </ol> |  |
| <b>Budget</b>                    | <b>Source of Funding</b>  | <b>Dollar Amount</b>   |
|                                  | NSP3  | \$62,316.00  |
|                                  |   |  |
| <b>Total Budget for Activity</b> |   | <b>\$62,316.00</b>   |
| <b>Performance Measures</b>      | Creation of Land Bank, Acquisition of Property and Redevelopment activities within NSP3 program period. Approximately 5-10 lots will be acquired for future redevelopment activities.   |  |
| <b>Projected Start Date</b>      | 5/1/2011  |  |
| <b>Projected End Date</b>        | 5/1/2014  |  |
| <b>Responsible Organization</b>  | <b>Name</b>   | City of Dayton   |
|                                  | <b>Location</b>   | 101 West Third Street<br>Dayton, Ohio 45402                    |
|                                  | <b>Administrator Contact Info</b>   | Department of Planning & Community Development<br>937-333-3670 |

| <b>Activity Number 2</b>                               |   |
|--|---|
| <b>Activity Name</b>                                   | Demolition  |
| <b>Use</b>   | Select all that apply:  |
|  | <input type="checkbox"/> Eligible Use A: Financing Mechanisms   |
|  | <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation   |
|  | <input type="checkbox"/> Eligible Use C: Land Banking   |
|  | <input checked="" type="checkbox"/> Eligible Use D: Demolition  |
| <input type="checkbox"/> Eligible Use E: Redevelopment |   |
| <b>CDBG Activity or Activities</b>                     | Demolition of vacant/blighted structures- 24 CFR 570.201(d)   |
| <b>National Objective</b>                              | LMMA  |
| <b>Activity Description</b>                            | This activity involves the elimination of approximately 300 nuisance structures that are beyond repair, and pose a health and/or safety hazard in eligible neighborhoods. |
| <b>Location Description</b>                            | The City will carry out demolition activities in identified "Areas of Greatest Need" and significantly blighted structures in areas with moderate needs.                  |
|  | NSP3 Areas of Greatest Need<br>Priority Areas:  |

|                                  |   |   |
|----------------------------------|---|---|
|                                  | <ol style="list-style-type: none"> <li>1. Salem Avenue Corridor</li> <li>2. Main &amp; Riverdale</li> <li>3. Germantown</li> <li>4. East Fifth Street Corridor</li> <li>5. East Third Street Corridor</li> <li>6. Cambridge/Oxford</li> <li>7. Rosa Parks</li> <li>8. West Third Street Corridor</li> <li>9. Dayton View</li> </ol> |   |
| <b>Budget</b>                    | <b>Source of Funding</b>  | <b>Dollar Amount</b>                              |
|                                  | NSP3  | \$1,526,732.00                                    |
|                                  | (Other funding source)  | \$  |
|                                  | (Other funding source)  | \$  |
| <b>Total Budget for Activity</b> |   | \$1,526,732.00                                    |
| <b>Performance Measures</b>      | The City's goal is to demolish 300 blighted units in the NSP 3 target areas where incomes do not exceed 120% AMI.   |   |
| <b>Projected Start Date</b>      | 5/1/2011  |   |
| <b>Projected End Date</b>        | 5/1/2014  |   |
| <b>Responsible Organization</b>  | <b>Name</b>   | City of Dayton                                    |
|                                  | <b>Location</b>   | 371 W 2nd Street<br>Dayton, OH 45402              |
|                                  | <b>Administrator Contact Info</b>   | Department of Building Services<br>(937) 333-3883 |

| <b>Activity Number 3</b>           |   |
|------------------------------------|---|
| <b>Activity Name</b>               | NSP3 Set-Aside  |
| <b>Use</b>                         | Select all that apply:  |
|                                    | <input type="checkbox"/> Eligible Use A: Financing Mechanisms   |
|                                    | X Eligible Use B: Acquisition and Rehabilitation  |
|                                    | <input type="checkbox"/> Eligible Use C: Land Banking   |
|                                    | <input type="checkbox"/> Eligible Use D: Demolition   |
| X Eligible Use E: Redevelopment    |   |
| <b>CDBG Activity or Activities</b> | 25% NSP3 Set-Aside for Housing Very Low-Income Households (50%AMI, or below)  |
| <b>National Objective</b>          | Low-Income Housing to Meet 25% Set-Aside (LH25)   |
| <b>Activity Description</b>        | Funds will be used for the purchase and rehabilitation or redevelopment of abandoned or foreclosed upon single and multi-family residential properties that will be sold or rented to households whose incomes do not exceed 50 percent AMI.  |
| <b>Location Description</b>        | NSP3 Areas of Greatest Need<br>Priority Areas: <ol style="list-style-type: none"> <li>1. Salem Avenue Corridor</li> <li>2. Main &amp; Riverdale</li> <li>3. Germantown</li> <li>4. East Fifth Street Corridor</li> <li>5. East Third Street Corridor</li> <li>6. Cambridge/Oxford</li> <li>7. Rosa Parks</li> </ol> |

|                                  |  |  |
|----------------------------------|--|--|
|                                  | 8. West Third Street Corridor<br>9. Dayton View  |  |
| <b>Budget</b>                    | <b>Source of Funding</b>   | <b>Dollar Amount</b>   |
|                                  | NSP3   | \$778,945.00   |
|                                  | (Other funding source)   | \$   |
|                                  | (Other funding source)   | \$   |
| <b>Total Budget for Activity</b> |  | \$778,945.00   |
| <b>Performance Measures</b>      | The rehabilitation or redevelopment of up to 30 housing units for households at or below 50 percent AMI. |  |
| <b>Projected Start Date</b>      | 5/1/2011   |  |
| <b>Projected End Date</b>        | 5/1/2014   |  |
| <b>Responsible Organization</b>  | <b>Name</b>  | City of Dayton   |
|                                  | <b>Location</b>  | 101 West Third Street<br>Dayton, Ohio 45402                    |
|                                  | <b>Administrator Contact Info</b>  | Department of Planning & Community Development<br>937-333-3670 |

| <b>Activity Number 4</b>           |   |  |
|------------------------------------|---|--|
| <b>Activity Name</b>               | Planning & Administration   |  |
| <b>Use</b>                         | Select all that apply: N/A  |  |
|                                    | <input type="checkbox"/>  | Eligible Use A: Financing Mechanisms                           |
|                                    | <input type="checkbox"/>  | Eligible Use B: Acquisition and Rehabilitation                 |
|                                    | <input type="checkbox"/>  | Eligible Use C: Land Banking                                   |
|                                    | <input type="checkbox"/>  | Eligible Use D: Demolition                                     |
|                                    | <input type="checkbox"/>  | Eligible Use E: Redevelopment                                  |
| <b>CDBG Activity or Activities</b> | Planning and Administration   |  |
| <b>National Objective</b>          | N/A   |  |
| <b>Activity Description</b>        | This allocation provides staff to coordinate and facilitate the City's NSP funded activities. |  |
| <b>Location Description</b>        | N/A   |  |
| <b>Budget</b>                      | <b>Source of Funding</b>  | <b>Dollar Amount</b>   |
|                                    | NSP3  | \$311,578.00   |
|                                    | (Other funding source)  | \$   |
|                                    | (Other funding source)  | \$   |
| <b>Total Budget for Activity</b>   |   | \$311,578.00   |
| <b>Performance Measures</b>        | N/A   |  |
| <b>Projected Start Date</b>        | 5/1/2011  |  |
| <b>Projected End Date</b>          | 5/1/2014  |  |
| <b>Responsible Organization</b>    | <b>Name</b>   | City of Dayton   |
|                                    | <b>Location</b>   | 101 West Third Street<br>Dayton, Ohio 45402                    |
|                                    | <b>Administrator Contact Info</b>   | Department of Planning & Community Development<br>937-333-3670 |

| Activity Number 5                                      |   |  |
|--|---|--|
| <b>Activity Name</b>                                   | Single Family Acquisition and Rehabilitation Program  |  |
| <b>Use</b>   | Select all that apply:  |  |
|  | <input type="checkbox"/> Eligible Use A: Financing Mechanisms   |  |
|  | X Eligible Use B: Acquisition and Rehabilitation  |  |
|  | <input type="checkbox"/> Eligible Use C: Land Banking   |  |
|  | <input type="checkbox"/> Eligible Use D: Demolition   |  |
| <input type="checkbox"/> Eligible Use E: Redevelopment |   |  |
| <b>CDBG Activity or Activities</b>                     | CDBG – 24 CFR 570.201 (a) - Acquisition; 24 CFR 570.202- Eligible rehabilitation and preservation activities  |  |
| <b>National Objective</b>                              | LMMH  |  |
| <b>Activity Description</b>                            | The purchase/rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell or rent to up to 10 households with incomes at or below 120% AMI  |  |
| <b>Location Description</b>                            | NSP3 Areas of Greatest Need   |  |
|  | Priority Areas: <ol style="list-style-type: none"> <li>1. Salem Avenue Corridor</li> <li>2. Main &amp; Riverdale</li> <li>3. Germantown</li> <li>4. East Fifth Street Corridor</li> <li>5. East Third Street Corridor</li> <li>6. Cambridge/Oxford</li> <li>7. Rosa Parks</li> <li>8. West Third Street Corridor</li> <li>9. Dayton View</li> </ol> |  |
| <b>Budget</b>  | <b>Source of Funding</b>  | <b>Dollar Amount</b>   |
|  | NSP3  | \$436,209.00   |
|  | (Other funding source)  | \$   |
|  | (Other funding source)  | \$   |
| <b>Total Budget for Activity</b>                       | \$436,209.00  |  |
| <b>Performance Measures</b>                            | The purchase and rehab of 4-5 homes   |  |
| <b>Projected Start Date</b>                            | 5/1/2011  |  |
| <b>Projected End Date</b>                              | 5/1/2014  |  |
| <b>Responsible Organization</b>                        | <b>Name</b>   | City of Dayton   |
|  | <b>Location</b>   | 101 West Third Street<br>Dayton, Ohio 45402                    |
|  | <b>Administrator Contact Info</b>   | Department of Planning & Community Development<br>937-333-3670 |

## 8. Certifications

### Certifications for State and Entitlement Communities

- (1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.
- (7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]
- (10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (11) **The jurisdiction certifies:**
  - a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
  - b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

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Signature/Authorized Official

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Date

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Title

# NSP 3 Draft Target Areas Map

