

**Application to the US Department of Housing and Urban Development
Neighborhood Stabilization Program 2**

**Greater Dayton NSP 2 Consortium
Application Number: 28563207**

**Submitted by:
City of Dayton
City of Fairborn
City of Kettering
Montgomery County
Dayton Metropolitan Housing Authority**

July 15, 2009

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HUD 2880

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Greater Dayton Neighborhood Stabilization 2 Consortium NSP2 Application

Consortium Members: City of Dayton, Ohio (Lead Entity); City of Fairborn, Ohio; City of Kettering, Ohio; Dayton Metropolitan Housing Authority; and Montgomery County, Ohio.

Non-profit subrecipients that are currently assisting in the implementation of NSP1, and who may also be working with the Consortium include:

CityWide Development Corporation (www.citywidedev.com)

CountyCorp (www.countycorp.com)

Habitat For Humanity (www.daytonhabitat.org)

Improved Solutions for Urban Systems (ISUS) (www.isusinc.com)

Tawawa Community Development Corporation

St. Mary Community Development Corporation (www.stmarycdc.com)

HomeOwnership Center of Greater Dayton (www.homeownershipdayton.org)

Miami Valley Fair Housing Center (www.mvfairhousing.com)

Eligible Applicant: The Greater-Dayton Neighborhood Stabilization 2 Consortium (Consortium) is comprised of the Cities of Dayton, Fairborn and Kettering, all Municipalities of the State of Ohio; the Dayton Metropolitan Housing Authority, a Public Housing authority of the State of Ohio; and Montgomery County, a County Government of the State of Ohio; all fitting the definition of units of local government. As such, the Consortium is eligible to submit an application to the U.S. Department of Housing and Urban Development (HUD) for funds to be allocated under the American Reinvestment and Recovery Act of 2009 on behalf of the Greater-Dayton Neighborhood Stabilization 2 Consortium.

The Lead Entity is the City of Dayton, Ohio, who with the assistance of the other Consortium members has prepared and is submitting this application.

The Greater-Dayton NSP2 Consortium hereby requests \$59,973,100.00 for the purpose of accomplishing significant and measurable neighborhood stabilization efforts in the identified target geographies.

The Consortium acknowledges the following eligible uses of NSP2 funds and proposes to carry out only these activities:

1. Establish financing mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties;
2. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop;
3. Establish land banks for homes and residential properties that have been foreclosed upon;
4. Demolish blighted structures;
5. Redevelop demolished or vacant properties as housing;
6. Use allowable administration costs to accomplish the eligible uses.

Certain activities will be carried out directly by Consortium members, other activities will be carried out under binding agreements with non-profit sub-recipients or non-profit housing development partners. The required housing counseling will be carried out under a binding agreement with HUD approved counseling agencies.

The Consortium acknowledges that the use of NSP2 funds must meet the low and moderate income national objectives of the Community Development Block Grant (CDBG). In accordance with the NSP2 redefinition of low and moderate income to include middle income households up to 120% of Area Median Income (AMI), the Consortium acknowledges that all activities carried out under NSP2 will benefit only Low, Moderate, and Middle-Income households (LMMI). The Consortium further acknowledges that it will budget and expend a minimum of 25% of NSP2 funds to provide housing for individual households whose incomes do not exceed 50% of AMI.

The Consortium members established a web page dedicated to presenting information instructing the public in how to view the Consortium application and providing a means to comment on the application. The Web page may be viewed at:

<http://www.cityofdayton.org/departments/pcd/Pages/NSP2.aspx> .

In addition, the Consortium printed a legal ad on July 1, 2009 in the Dayton Daily News, notifying the public of the intent to apply for NSP2 funds, where the application can be viewed, and a contact person to inquire or send comments. The public comment period was from July 1, 2009 through July 14, 2009. The City of Dayton also presented the plan to the Community Neighborhood Development Advisory Board, the official public participation mechanism for community development funds. No comments regarding the NSP2 program were received.

The definition of blighted structure is located in Appendix 7, and the definition of affordable rents is located in Appendix 8.

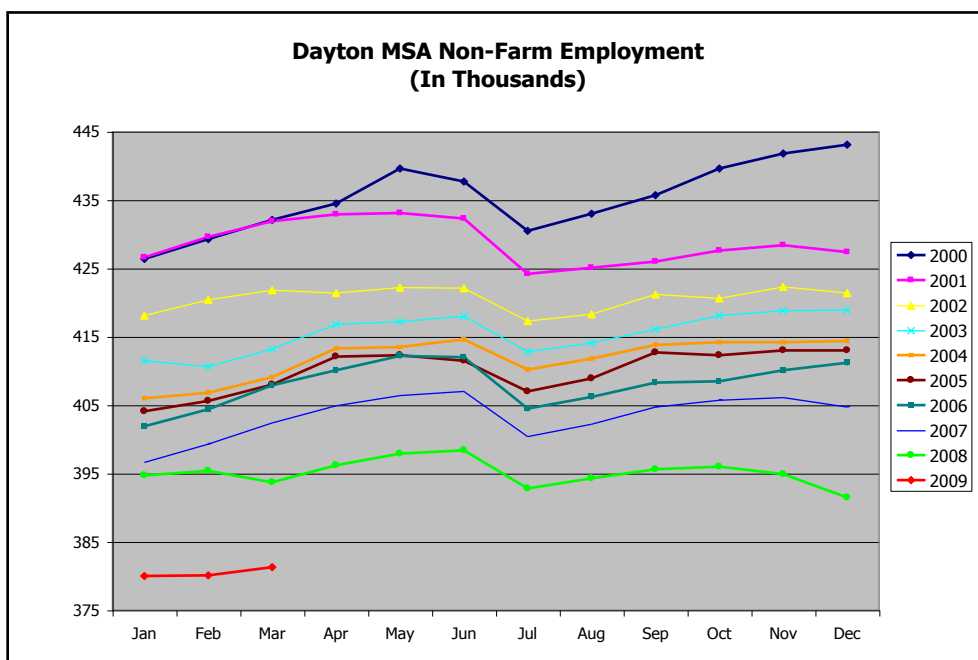
FACTOR 1 – Need and Market Conditions Extent of the Problem

A. Target Geography and Need

NSP2 requires that the funding and activities must 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 target geography for the NSP2 program. Through analysis, the Consortium believes that the program outlined in this application will make a significant improvement to the stability and marketability of the targeted neighborhoods. The Consortium will carry out NSP2 activities in geography listed in Appendix 1 and illustrated in the NSP2 Target Area Map on page 2.

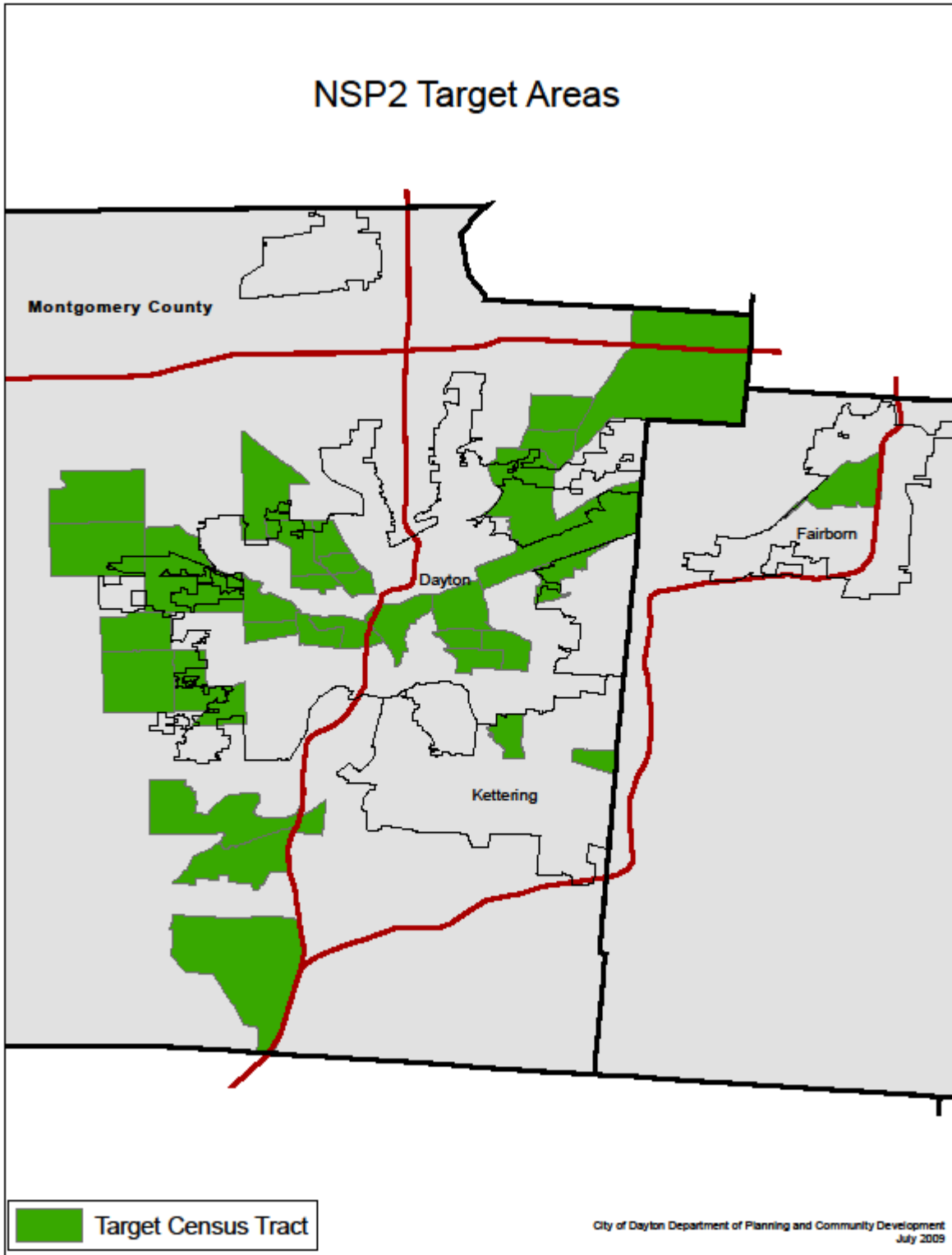
Economic struggles within the Dayton region have contributed greatly to the decline of the targeted neighborhoods. By the second quarter of 2009, the current recession was already the longest since WWII and is stacking up to be the worst since the great depression.

Unlike most of the nation, the Dayton region has been mired in economic decline for nearly a decade. Since 2000, the region has lost over 45,000 jobs. In fact, in December of 2008, the region had its lowest level of employment since the late 1980s. In other words, the region did not recover from the last recession in 2001 as the graph to the right illustrates. The major cause of the economic malaise can be summed up in one word: manufacturing.



The seismic economic decline experienced in the region has not gone unnoticed. Dayton has the dubious distinction of being named one of “America’s Fastest Dying Cities” by Forbes Magazine. The following is an excerpt from their August 2008 report:

“Where is it worst? Ohio, according to our analysis, which racked up four of the 10 cities on our list: Youngstown, Canton, Dayton, and Cleveland. The Runner up is Michigan, with two cities—Detroit and Flint—making the ranking. These [cities] face fleeing populations, painful waves of unemployment and barely growing economies. By our measure, they’ve struggled the worst of any areas in the nation in the 21st century. And they face even bleaker futures.”



Note: The Consortium is planning to target 21% (32 census tracts) of the 153 total census tracts in the Consortium area.

Soon after the Forbes article, the Dayton region earned another troublesome title as one of “America’s Emptiest Cities.” These titles lay bare the monumental misfortune of our region. On June 25, 2009 the New York Times spotlighted the region’s decay in an article entitled *Recession’s Children*, which focused on employment choices for newly graduated high school seniors. The article notes the aspirations of many of these graduates have been dashed as the opportunity for secure middle income jobs evaporate.

Moreover, the region’s economic decline has been exacerbated by the current global recession; after losing 45,000 jobs or 43% of the employment base, manufacturing has continued this descent in 2009 as seen in the chart below. And, although most pronounced in the manufacturing sector, jobs losses over the last decade have been widespread and include every sector save three: financial services, education & health services, and leisure & hospitality. Since the recession began in December 2007, losses have continued to mount at an alarming rate claiming the incomes of 13,200 individuals and likely affecting a multiple of that number as the losses accrue to the worker’s family, neighborhood and community.

Dayton Metropolitan Statistical Area Non-Farm Employment

Industry Sector	Dec	Dec	Dec	2000 -	2000 -	2007 -	2007 -	May
	2000	2007	2008	No. Chg.	% Chg.	No. Chg.	% Chg.	
Construction & Mining	15.5	14.3	12.6	(2.9)	-18.7%	(1.7)	-11.9%	12.6
Manufacturing	79.3	51.6	45.0	(34.3)	-43.3%	(6.6)	-12.8%	41.0
Trade, Trans & Utilities	85.6	70.6	67.4	(18.2)	-21.3%	(3.2)	-4.5%	65.2
Information	12.1	12.1	12.0	(0.1)	-0.8%	(0.1)	-0.8%	11.7
Financial Activities	17.6	19.1	18.0	0.4	2.3%	(1.1)	-5.8%	17.9
Professional & Business Services	53.0	52.6	49.4	(3.6)	-6.8%	(3.2)	-6.1%	48.1
Education & Health Services	59.4	68.9	70.9	11.5	19.4%	2.0	2.9%	69.3
Leisure & Hospitality	35.5	36.6	36.3	0.8	2.3%	(0.3)	-0.8%	37.9
Other Services	16.2	15.8	14.3	(1.9)	-11.7%	(1.5)	-9.5%	14.2
Government	68.9	63.1	65.6	(3.3)	-4.8%	2.5	4.0%	66.2
Total	443.1	404.7	391.5	(51.6)	-11.6%	(13.2)	-3.3%	384.1

Unemployment Rate (%)

U.S.	3.9%	4.9%	7.2%			9.4%
Dayton MSA	3.3%	5.9%	8.2%			11.3%
City of Dayton	6.0%	7.2%	9.5%			12.5%

Source: Bureau of Labor Statistics

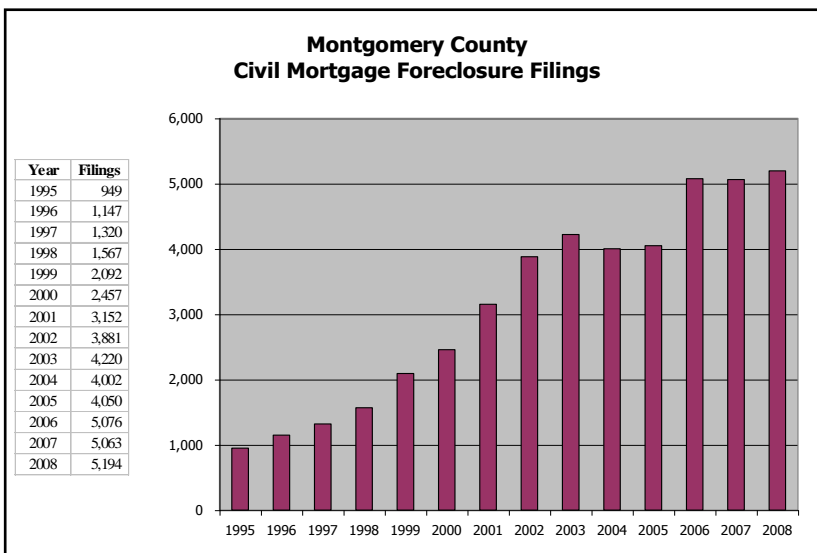
Evidence of the social distress is apparent in the growing ranks of unemployed and underemployed. Unemployment in the region currently stands at 11.3% up from 5.9% in December 2008 while Dayton is even higher at 12.5% in the most recently released data from the Bureau of Labor Statistics. Given that the majority of the Consortium member’s revenue sources is income tax, the recent downturn and loss of jobs translates into significantly lower revenues, which leads to diminished services to the residents, and fewer resources to address the decline within the Consortium’s target areas.

Credit Market and Property Values

As mentioned above, what precipitated the current deep recession were record level mortgage foreclosure filings and plunging property values that have subtracted approximately \$5 trillion in equity from the U.S. housing market. Due to its weak market conditions, the Dayton region did not participate in the rapid price

appreciation experienced in such markets as Las Vegas, Miami, Phoenix, and Los Angeles. Yet, we have not been immune to the precipitous declines in home sales and home prices coupled with some of the highest foreclosure rates in the nation. Interestingly, the contracting local economy over the past decade was largely responsible for our high foreclosure rate. Conversely, it was the mortgage meltdown that caused economic decline across the nation.

As the graph to the right depicts, foreclosures in Montgomery County began to escalate in the late 1990s and for the last three years have registered more than 5,000 foreclosures or 2% of housing units annually. This is a five-fold increase from 1995. Though foreclosures did decline in the most recent monthly report, they show scant evidence of slowing. While Consortium members attempted to limit predatory lending practices within local ordinances and support to the Miami Valley Fair Housing Center,



Ohio legislators were slow to adopt legislation limiting predatory lending practices and the legislation adopted is weak. Many residents have long term relationships with predatory lenders. Until recently, The Homeownership Center of Greater Dayton found that the majority of the slow-pay mortgage/foreclosure customers they saw were as a result of adjustable rate mortgages and predatory mortgage products. Despite some successes through the Miami Valley Fair Housing Center, with the recent loss of jobs in the region, the number of foreclosure filings is likely to increase. In addition, residents will have few resources to maintain properties, adding to the continuing physical decline of neighborhoods.

Unfortunately, this process has already begun. Average residential property values within the region fell 4.4% in the recent Auditor's revaluation and delinquencies have been rising steadily. At the end of 2008, delinquencies outstanding registered over 30% of the current level. Both of these factors have depressed 2009 property values and property tax revenues for many Consortium members, and will continue to do so in the future.

Housing Issues

The housing market within the Consortium area 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.

B. Market Conditions and Demand Factors

To better understand the current housing market and to produce a reasonable projection of the extent to which the markets within the target geographies will absorb the abandoned and foreclosed properties, the Consortium obtained the professional services of Mr. Doug Harnish of Gem Public Sector Services. Data used for the study came from HUD, local surveys, and DemographicsNow.com models.

- (1) Only minimal natural market absorption is projected to take place in the housing inventory between now and 2013 if NSP2 funds are not received by the Consortium. Local resources are simply insufficient to address the substantial needs of the target areas. There are currently 5,802 vacant units in the Consortium's target areas. The attrition that is projected is not enough to stabilize the market and will result in a continuing spiral of decay and neighborhood abandonment. The current velocity of the Consortium's marketplace, including new home construction, reflects general economic conditions as well as the extraordinary number of vacant homes that exist in many neighborhoods. A return to traditional loan underwriting standards in the future is likely to have a negative effect on annual home sales for the foreseeable future. With an excess supply of housing units on the landscape it is likely that housing values will continue to erode making appraisals for mortgage lending purposes a potential area of concern. The long-term sustainability of housing values could be called into question.

Market velocity, defined as annual sales of housing units, range from approximately 0.00% to 3.00% of the inventory, annually in the distressed target neighborhoods, compared to a range from as low as 4.00% to over 10.00% of the inventory, annually, in revitalized neighborhoods. Given this poor absorption rate, most of the current vacant and foreclosed units will continue to languish in the market. Assuming a 3.00% annual absorption rate, it will take over 30 years to absorb the 5,802 vacant units in the target areas. This assumes that only the vacant homes are purchased, and there is no turnover among occupied units, which would lengthen the absorption time. Lack of natural market absorption is exasperated by the continued decline in population, mounting job losses and non-existent in-migration into the region.

- (2) Overbuilding of the housing market and loss of the employment base are the most critical factors causing abandonment. Within the Consortium, there are an estimated 36,000 vacant housing units and that number is projected grow to over 48,000 vacant housing units by 2013, creating a regional vacancy rate of 18.4%. Coupled with the current excess inventory of homes, regional population and household losses are projected to continue with a total regional population loss since 1990 of 57,000 people by 2013 and loss of over 12,000 households in the region.

Job losses in the region have been staggering. In the last nine years, over 45,000 jobs have been lost in the Consortium area. Unemployment rates have risen from 3.9% in 2000 to 11.3% in 2008. These job losses have pushed families into foreclosure, pushed young and talented college graduates out of the region, and have contributed to an erosion of local resources to address neighborhood stability issues. Unfortunately, NCR announced that it is moving its world

headquarters (1200 jobs) to Georgia in 2010, and there seems to be no end in sight for continued job losses in the region.

- (3) Demographic data provided by Gem Public Sector Services suggests that the average Household income for Greater Dayton Consortium families is \$47,962. This is well below the HUD Area Median Income Median Income of \$62,100 for the Dayton, OH MSA.

The average home payment is calculated based upon an average home price of \$128,177 for the Greater Dayton Consortium area and assuming 6% financing with a 30 year term, including \$200/month for taxes and insurance. The housing cost burden for a family of four is illustrated in the table below.

Greater Dayton Average Consortium Income: \$47,962	Annual Income	Monthly Housing Payment for Average Home Cost in Consortium Area (Including \$200/mo for taxes and ins)	Housing Ratio for Average Home Cost in Consortium Area	Monthly Affordable Housing Payment (no more than 30% of income)
50%	\$23,981	\$968.00	48.44%	\$600
80%	\$38,370	\$968.00	30.27%	\$959
120%	\$57,554	\$968.00	20.18%	\$1,439

The most recent statistics demonstrate that (on average) 63% of Greater Dayton Consortium Households make \$59,999 or less; and 42% of those families make \$39,999 or less. Based on recent job losses, and the current economic conditions, the Consortium anticipates that the Average Family Income in the region will decline substantially at the next Decennial Census.

- (4) Other factors that have lead to the decline and instability within the target areas include poorly ranked public and charter schools. According to the latest statewide report card, the City of Dayton school district met 0 of 30 statewide indicators, resulting in the title of "Academic Watch" from the state. Most of the region's charter schools fared no better. Further complicating the ability to attract new, high tech businesses is the educational level of the work force. In Montgomery County only 51% all adults between the ages of 18 and 24 have any education beyond high school, with nearly 18% having less than a high school diploma. (Data Set: 2005-2007 American Community Survey 3-Year Estimates)

Declining local resources to maintain parks and recreational facilities, fewer local governmental resources to effectively enforce housing codes, and provide loans and grants to help struggling owners and renters maintain and remain in their homes have also led to the decline and instability

of neighborhoods. An increasing number of vacant and boarded homes have discouraged prospective buyers from purchasing in these neighborhoods.

- (5) The Consortium will take a multi-pronged approach to stabilizing the target neighborhoods. Given the high vacancy rates and very low absorption rates, the Consortium will seek to demolish at least 1600 blighted housing units, purchase and rehabilitate at least 402 units, and provide financing incentives to purchase and rehabilitate at least 419 units of foreclosed and abandoned housing. The infusion of public funds and the removal of blight through demolition, coupled with strategic renovations will spark momentum that will provide a catalyst for the private sector to participate in the revitalization of the target neighborhoods.

Demolition of housing units in the target areas will take into account population and household declines projected to occur in the next five years. Acquisition and renovation will take place in concentrated areas within the target geographies to create a catalyst of redevelopment. Financing mechanisms will be created to allow the private sector to play a larger role in the redevelopment of the target geographies. These financing mechanisms will include down payment assistance loans, rehabilitation loans, and other mechanisms as the projects may dictate. The Consortium members have experience in neighborhood stabilization programs, and have found that a mix of renovation, finance incentives, and demolition has been very successful.

FACTOR 2 – Demonstrated Capacity of Applicant & Relevant Organizational Staff

A. Past Experience of the Applicant

The Consortium has tremendous experience and the demonstrated capacity to manage and implement all facets of the NSP2 program and the activities described in this application. Over the past 24 months, the Consortium has carried out the following activities, and is summarized in the table on the page 8.

Grant Administration: All members of the Consortium are Entitlement Communities or Public Housing Authorities, each having a proven track record with HUD in implementing the targeted activities. Each jurisdiction is currently implementing NSP1 projects and other Stimulus projects such as Public Housing Modernization and CDBG-R funded programs and projects. Consortium members annually manage over \$50 million in federal grants including entitlement programs (CDBG, HOME, ESG), NSP1, CDBG-R, and Public Housing funds.

City and Regional Planning: Each Consortium member has prepared numerous Consolidated and Action Plans, Analysis of Impediments to Fair Housing, neighborhood plans and all Consortium members routinely cooperate and discuss issues that are regional in nature such as population and job losses, hazard mitigation, and environmental stewardship. All members of the Consortium cooperate and participate with the Miami Valley Regional Planning Commission on matters of regional concern.

Over the past 24 months, the Consortium has carried out the following activities:

Activity	City of	Montgomery	City of	City of	Dayton	Total Units
	Dayton	County	Fairborn	Kettering	Metropolitan Housing Authority	
	Units or Households Served					
Acquisition of Foreclosed Properties	180	16			14	210
Downpayment Assistance Loans / Grants	30	61	4	2	57	154
Renovation / Construction of Single Family Homes		77	16	50	42	185
Renovation / Construction of Multi-Family Units		43		24	270	337
Homebuyer Education (households served)	210	73	4	2	62	351
Lead-based Paint (units remediated)	16	73	7	13	48	157
Demolition of Blighted Housing Units	440	42		2	818	1302
Redevelopment Activites		2		3	2	7

Acquisition and Disposition of Real Estate: Over the past 24 months, Consortium members have acquired over 200 vacant, abandoned or foreclosed properties for the purpose of side-yard expansions for the adjacent property owner, community gardens, pocket parks, renovation and new housing construction by non-profit developers, or for landbanking purposes. To facilitate the transactions, members coordinate activities with the Montgomery County Treasurer's Office to assist in tax foreclosure properties and obtaining State forfeited properties. At times, Consortium members engage the services of Realtors that specialize in the acquisition and disposition of REO properties.

Demolition: In the last 24 months, Consortium members have demolished over 1300 units of residential housing. In coordinating this activity, Consortium members are responsible for title searches, environmental review compliance, asbestos removal, property owner notification/public notices, procurement process for contractor selection, contractor compliance, process contractor payments, and property maintenance plans. Consortium members also conduct research and analysis for appropriate demolition strategies. Such research includes, determining current housing stock conditions, housing unit trends, population trends, property valuation estimates before and after demolition.

Rehabilitation of Housing: Consortium members have been responsible for the rehabilitation of over 520 housing units through its HOME, CDBG, LIHTC, HOPE VI, and homebuyer program participation. The Consortium members routinely partner with local non-profit housing providers including Citywide Development Corporation, CountyCorp, Rebuilding Together Dayton, The Dayton Fund for Home Rehabilitation's Emergency Repair Program, Habitat for Humanity, and numerous for profit housing developers.

Redevelopment Activities – The Consortium has funded and administered the production of 41 units of housing on vacant land and 14 units within a converted commercial building. Montgomery County has coordinated the redevelopment of two structures in the past 24 months. The first structure, a former health spa containing 11,000 square feet was vacant for over 10 years. Montgomery County participated in the redevelopment of the structure into a new state of the art medical facility, the total cost of redevelopment was approximately \$1,500,000. Montgomery County's specific tasks included, bidding procedures, contract negotiation, plan development and review, environmental compliance, labor standard compliance, and monitoring.

Dayton and Montgomery County are involved in the rehabilitation of a former men's rehabilitation center into a Men's Gateway Homeless Shelter. The former facility was built in 1989 and was closed in 2002. The total renovated space will be 47,705 square feet. Total renovation costs are approximately \$3 million. The renovated facility will contain approximately 178 beds for homeless men and is slated to open in September 2009. As it relates to this project, Dayton and Montgomery County were directly responsible for fund development, site selection, plan development and review, contract preparation, monitoring and labor standard compliance.

Accessing Investment and Operating Capital: Members of the Consortium have participated in the Home Investment Partnership Program (HOME) since 1992. During the last 24 months, members have performed cost analysis and underwriting of projects that produced over 400 units of housing. Consortium members are familiar with Section 42 Low Income Housing Tax Credits, leveraging private capital, and the development process in general.

Working Productively with other Organizations: The Consortium has worked cooperatively with non-profits, for-profits, and other local and state government entities to produce affordable housing. Collectively, the Consortium funds organizations such as, The Home Ownership Center of Greater Dayton, The Fair Housing Center, Citywide Development Corporation, and CountyCorp. These organizations provide services such as, but not limited to homebuyer counseling, education, Mortgage Credit & Repair Counseling, down payment assistance, Individual Development Accounts and lease purchase options, to prospective homeowners, as well as predatory lending counseling and remediation and education to current homeowners.

Homebuyer & Financial Education: The Consortium members and their various partners have assisted over 350 households with homebuyer training, down payment assistance, and Mortgage Credit and Repair Counseling.

Lead-based Paint: The Consortium funded and successfully made 157 residential units lead-safe for the residents. Efforts were made possible through the various federal funding sources and local partnerships.

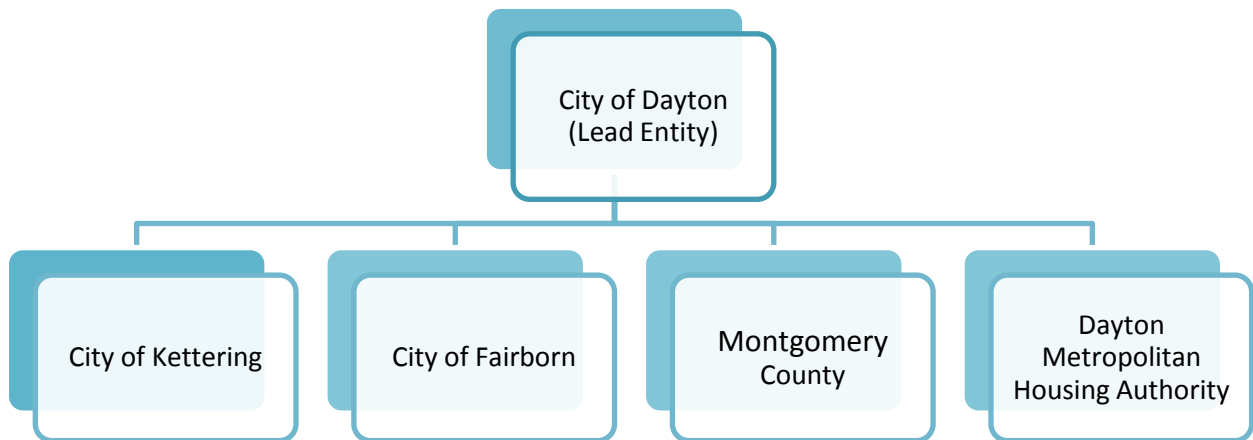
Energy Saving/Green Technology: The Consortium funded and produced the two newly constructed affordable housing units, a project known as the Litehouse, another unit is planned and in process. The Litehouse units meet Energy Star standards and are LEED certified. The models are the first of 44 units, four of which will be affordable to households at up to 80% of Area Median Income.

Members of the Consortium also contract with non-profit developers who are HERS certified and have incorporated Green By Design standards into 40 current rehabilitation projects.

B. Management Structure

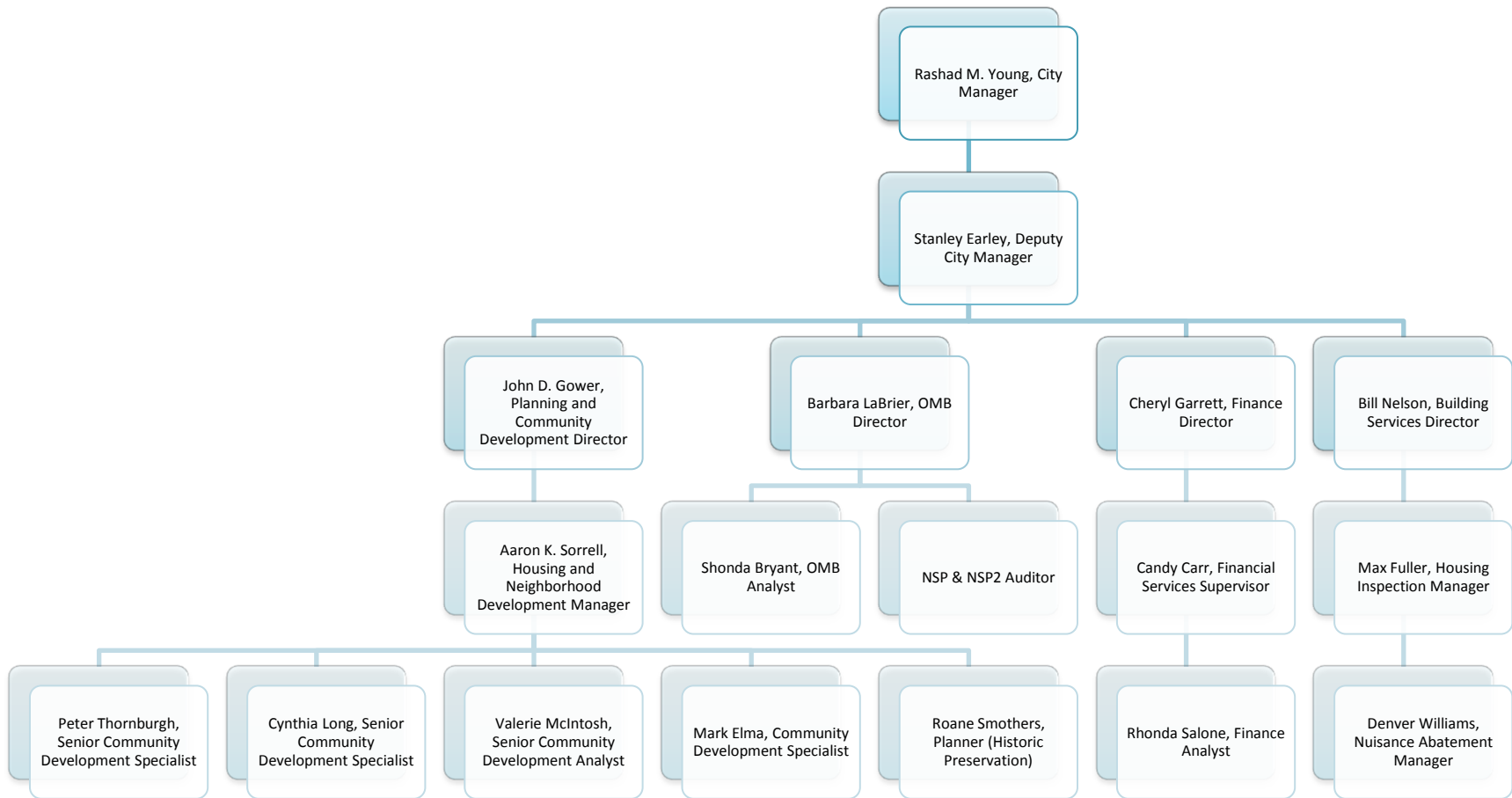
The following pages include an overall organization chart for the Consortium, along with the individual member's management structure. Each Consortium member will be responsible for carrying out the proposed activities within their respective jurisdiction, as defined in the Consortium Funding Agreements. The City of Dayton, as Lead Entity, will assume overall responsibility of monitoring each member for timeliness and program compliance, as described in the Consortium Agreement.

Greater Dayton NSP2 Consortium



The following pages describe the individual Consortium member's organizational structure and the names and positions of key staff managing the NSP2 program.

City of Dayton NSP2 Management Structure



Administrative Plan and Staff Capacity Duties -	Names of Staff Members and Organization											
	Aaron Sorrell, Housing Development Manager	Valerie McIntosh, Sr. Community Development Analyst	Mark Elma, Community Development Specialist	Jonathan Cain, Community Development Specialist	Rhonda Salone, Financial Analyst	Peter Thornburgh, Senior Community Development Specialist	Cynthia Long, Senior Community Development Specialist	Fitzgerald Murraine, Human Relations Counsel	Roane Smothers, Planner (Historic Preservation)	Shonda Bryant, OMB Analyst	Denver Williams, Nuisance Abatement Specialist	Pam Waltrip, CityWide Development Corporation
Contracted Agency Staff (C), Subcontracted Agency Staff (S), or Local Employee (E)	E	E	E	E	E	E	E	E	E	E	E	C
Number of Years of Related Experience	10	11	6	3	11	20	20	20	20	10	39	25
General Program Oversight ¹	X	X				X						
Program Administration ²	X	X	X	X		X	X				X	
Financial Management ³	X	X			X					X		
Daily Project Management ⁴		X	X	X		X	X		X		X	
Fair Housing Coordination ⁵		X						X				
Homebuyer Education ⁶												X
Post Grant Management ⁷	X	X				X						
Inspection and Field Construction ⁸		X	X	X		X	X				X	
Acquisition and/or Land Banking ⁹				X			X					
Local Government Oversight ¹⁰	X	X			X					X		

¹ General Program Oversight includes: Administering consulting services, Grant preparation and management, program amendments, and Environmental Review processes

² Program Administration includes: Management of Admin Staff, public relations/marketing, coordination with local agencies (HFH, MHA, CAC, etc.), coordinate citizen participation/conduct client outreach, contractor certification, labor compliance, quality control

³ Financial Management includes: Overall Grant finances, preparing and submitting drawdown requests, preparing and processing purchase orders and contractor pay requests, preparing performance reports

⁴ Daily Project Management includes: Client intake/determine eligibility, maintain files, conduct pre-construction

⁵ Fair Housing Coordination includes: Receives and refers all Fair Housing complaints/questions, provides tenant/landlord information

⁶ Homebuyer Education includes: Conduct counseling sessions/seminars, coordinate with organizations conducting seminars

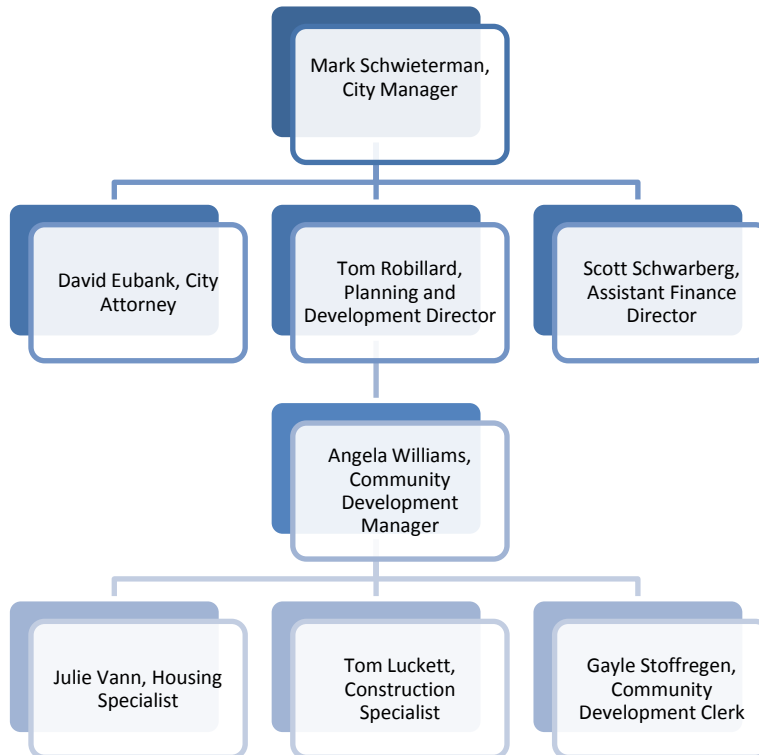
⁷ Post Grant Management includes: Maintain records/prepare mortgage releases, conflict resolution, manage program income

⁸ Inspection and Field Construction Management includes: Verifies required or other standard/code tests, assignment/completion of duties for inspection/construction management staff, perform initial inspections, perform interim inspections, perform final inspection, perform scope of work/spec for bidding, oversee contract procurement, conduct contractor pre-bid meeting, conduct contractor negotiations for single bidders, provide cost estimates, prepare punch lists, approves change orders, approve contractor payments, perform risk assessments, prepare lead-related specs, perform lead clearance testing

⁹ Acquisition and/or Land Banking includes: Management of funds and revenue from land bank, application for Grants and other sources of funding, preparation of Strategic Plan for acquisition, management and disposition, acquisition of property (tax foreclosure, purchase, donation, forfeiture, transfer), classify property and maintain written inventory of banked land, management of banked property, property maintenance and nuisance abatement, disposition of property, appraisal, establishment of terms, restrictions and covenants of sale, establishment of price (negotiations), analyze proposals for purchase, approval of sale

¹⁰ Local Government Oversight includes: Contractor management of consultant/subcontractor, monitor financial records, monitor performance reports

City of Kettering NSP 2 Management Structure



Administrative Plan and Staff Capacity Duties -	Names of Staff Members <u>and</u> Organization									
	Angela Williams, CD Manager	Julie Vann, CD Specialist	Tom Lockett, CD Construction Specialist	Scott Schwarberg, Assistant Finance Director		Valley Fair Housing Center	Jim McCarthy, President/CEO Miami	Beth Deutscher, President, HomeOwnership Center of Greater Dayton		
Contracted Agency Staff (C), Subcontracted Agency Staff (S), or Local Employee (E)	E	E	E	E		C	C			
Number of Years of Housing-Related Experience	11	34	16							
General Program Oversight ¹¹	X									
Program Administration ¹²	X									
Financial Management ¹³				X						
Daily Project Management ¹⁴		X								
Fair Housing Coordination ¹⁵						X				
Homebuyer Education ¹⁶							X			
Post Grant Management ¹⁷	X									
Inspection and Field Construction ¹⁸			X							
Acquisition and/or Land Banking ¹⁹	X									
Local Government Oversight ²⁰		X								

¹¹ General Program Oversight includes: Administering consulting services, Grant preparation and management, program amendments, and Environmental Review processes

¹² Program Administration includes: Management of Admin Staff, public relations/marketing, coordination with local agencies (HFH, MHA, CAC, etc.), coordinate citizen participation/conduct client outreach, contractor certification, labor compliance, quality control

¹³ Financial Management includes: Overall Grant finances, preparing and submitting drawdown requests, preparing and processing purchase orders and contractor pay requests, preparing performance reports

¹⁴ Daily Project Management includes: Client intake/determine eligibility, maintain files, conduct pre-construction

¹⁵ Fair Housing Coordination includes: Receives and refers all Fair Housing complaints/questions, provides tenant/landlord information

¹⁶ Homebuyer Education includes: Conduct counseling sessions/seminars, coordinate with organizations conducting seminars

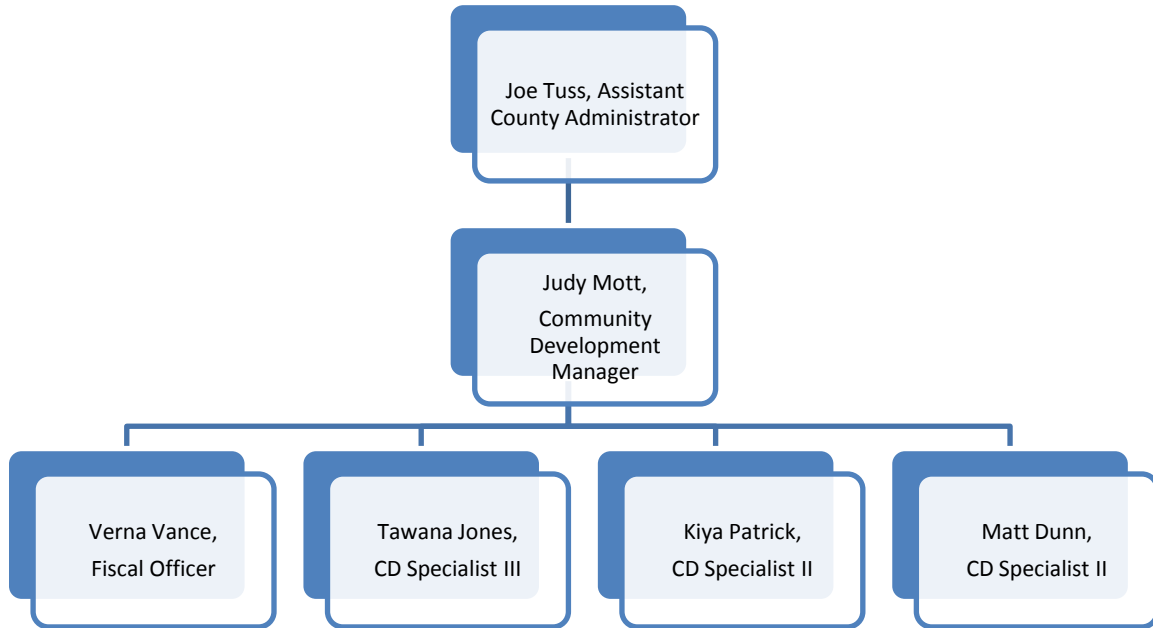
¹⁷ Post Grant Management includes: Maintain records/prepare mortgage releases, conflict resolution, manage program income

¹⁸ Inspection and Field Construction Management includes: Verifies required or other standard/code tests, assignment/completion of duties for inspection/construction management staff, perform initial inspections, perform interim inspections, perform final inspection, perform scope of work/spec for bidding, oversee contract procurement, conduct contractor pre-bid meeting, conduct contractor negotiations for single bidders, provide cost estimates, prepare punch lists, approves change orders, approve contractor payments, perform risk assessments, prepare lead-related specs, perform lead clearance testing

¹⁹ Acquisition and/or Land Banking includes: Management of funds and revenue from land bank, application for Grants and other sources of funding, preparation of Strategic Plan for acquisition, management and disposition, acquisition of property (tax foreclosure, purchase, donation, forfeiture, transfer), classify property and maintain written inventory of banked land, management of banked property, property maintenance and nuisance abatement, disposition of property, appraisal, establishment of terms, restrictions and covenants of sale, establishment of price (negotiations), analyze proposals for purchase, approval of sale

²⁰ Local Government Oversight includes: Contractor management of consultant/subcontractor, monitor financial records, monitor performance reports

Montgomery County NSP2 Management Structure



Administrative Plan and Staff Capacity Duties -	Names of Staff Members <u>and</u> Organization										
	Kiya Patrick, CD Specialist II	Verna Vance, CD Fiscal Agent	Jim Martone, County Corp – VP Housing	Adam Blake, County Corp Housing Development Manager	Mike Brenneman, County Corp – Construction Manager	Jim McCarthy, Miami Valley Fair Housing Center – President/CEO					
Contracted Agency Staff (C), Subcontracted Agency Staff (S), or Local Employee (E)	E	E	C	C	C	C					
Number of Years of Housing-Related Experience	5	30									
General Program Oversight ²¹	X										
Program Administration ²²	X										
Financial Management ²³		X									
Daily Project Management ²⁴			X	X							
Fair Housing Coordination ²⁵						X					
Homebuyer Education ²⁶			X								
Post Grant Management ²⁷	X										
Inspection and Field Construction ²⁸					X						
Acquisition and/or Land Banking ²⁹			X	X							
Local Government Oversight ³⁰	X										

²¹ General Program Oversight includes: Administering consulting services, Grant preparation and management, program amendments, and Environmental Review processes

²² Program Administration includes: Management of Admin Staff, public relations/marketing, coordination with local agencies (HFH, MHA, CAC, etc.), coordinate citizen participation/conduct client outreach, contractor certification, labor compliance, quality control

²³ Financial Management includes: Overall Grant finances, preparing and submitting drawdown requests, preparing and processing purchase orders and contractor pay requests, preparing performance reports

²⁴ Daily Project Management includes: Client intake/determine eligibility, maintain files, conduct pre-construction

²⁵ Fair Housing Coordination includes: Receives and refers all Fair Housing complaints/questions, provides tenant/landlord information

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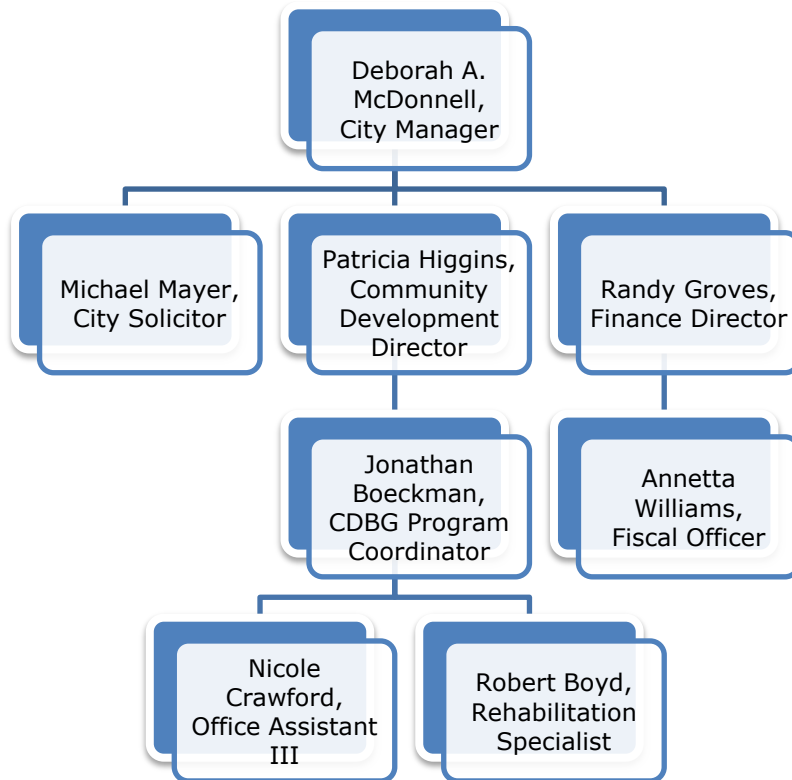
²⁷ Post Grant Management includes: Maintain records/prepare mortgage releases, conflict resolution, manage program income

²⁸ Inspection and Field Construction Management includes: Verifies required or other standard/code tests, assignment/completion of duties for inspection/construction management staff, perform initial inspections, perform interim inspections, perform final inspection, perform scope of work/spec for bidding, oversee contract procurement, conduct contractor pre-bid meeting, conduct contractor negotiations for single bidders, provide cost estimates, prepare punch lists, approves change orders, approve contractor payments, perform risk assessments, prepare lead-related specs, perform lead clearance testing

²⁹ Acquisition and/or Land Banking includes: Management of funds and revenue from land bank, application for Grants and other sources of funding, preparation of Strategic Plan for acquisition, management and disposition, acquisition of property (tax foreclosure, purchase, donation, forfeiture, transfer), classify property and maintain written inventory of banked land, management of banked property, property maintenance and nuisance abatement, disposition of property, appraisal, establishment of terms, restrictions and covenants of sale, establishment of price (negotiations), analyze proposals for purchase, approval of sale

³⁰ Local Government Oversight includes: Contractor management of consultant/subcontractor, monitor financial records, monitor performance reports

City of Fairborn NSP2 Management Structure



Administrative Plan and Staff Capacity Duties -	Names of Staff Members <u>and</u> Organization									
	Jonathan Boeckman (Program Coordinator)	Patricia Higgins (Community Dev. Director)	Annetta Williams (Finance Officer)	Michael Mayer (City Solicitor)		Missy Frost (Greene Co. Fair Housing Office)				
Contracted Agency Staff ©, Subcontracted Agency Staff (S), or Local Employee (E)	E	E	E	E						
Number of Years of Housing-Related Experience	4	15	10	5						
General Program Oversight ³¹	X									
Program Administration ³²	X									
Financial Management ³³			X							
Daily Project Management ³⁴	X									
Fair Housing Coordination ³⁵						X				
Homebuyer Education ³⁶	X									
Post Grant Management ³⁷	X									
Inspection and Field Construction ³⁸	X									
Acquisition and/or Land Banking ³⁹				X						
Local Government Oversight ⁴⁰		X								

³¹ General Program Oversight includes: Administering consulting services, Grant preparation and management, program amendments, and Environmental Review processes

³² Program Administration includes: Management of Admin Staff, public relations/marketing, coordination with local agencies (HFH, MHA, CAC, etc.), coordinate citizen participation/conduct client outreach, contractor certification, labor compliance, quality control

³³ Financial Management includes: Overall Grant finances, preparing and submitting drawdown requests, preparing and processing purchase orders and contractor pay requests, preparing performance reports

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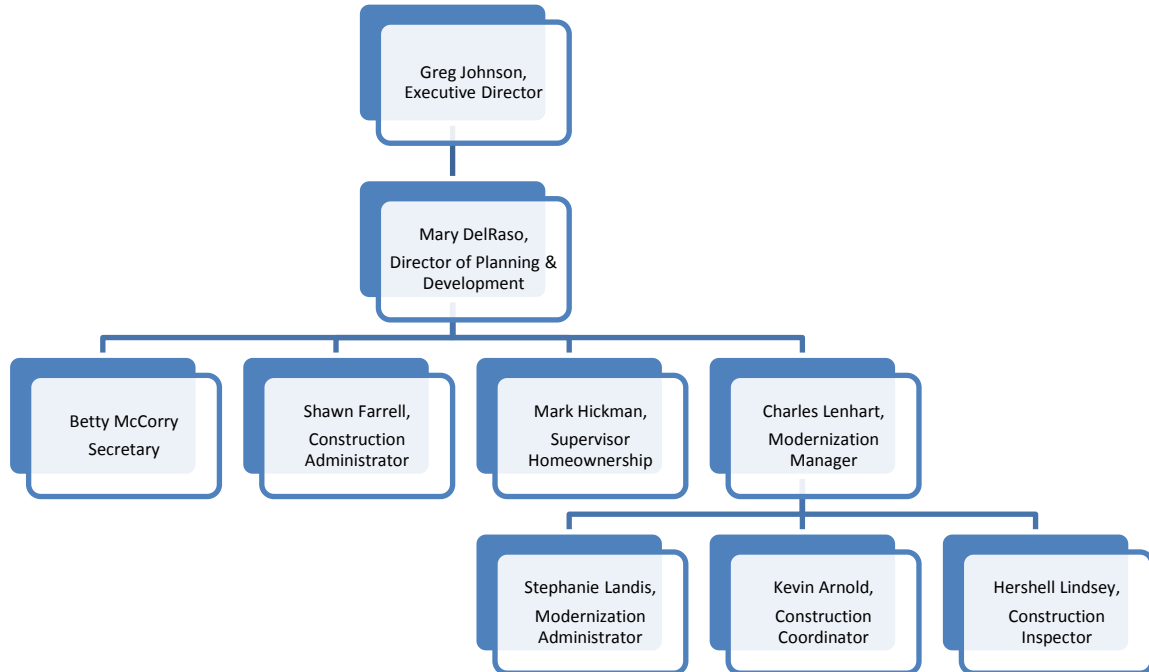
³⁷ Post Grant Management includes: Maintain records/prepare mortgage releases, conflict resolution, manage program income

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⁴⁰ Local Government Oversight includes: Contractor management of consultant/subcontractor, monitor financial records, monitor performance reports

Dayton Metropolitan Housing Authority NSP2 Management Structure



Administrative Plan and Staff Capacity Duties -	Names of Staff Members <u>and</u> Organization										
	Mary DelRaso, Planning & Development Director	Shawn Farrell Construction Administrator	Chuck Lenhart, Modernization Manager	Mark Hickman Homeownership Supervisor	Chris Green, General Counsel	Stephen Landis Modernization Administrator	Hershell Lindsey Construction Inspector				
Contracted Agency Staff (C), Subcontracted Agency Staff (S), or Local Employee (E)	(E)	(E)	(E)	(E)	(E)	(E)	(E)				
Number of Years of Housing-Related Experience	17	7	30+	20	2	11	4				
General Program Oversight ⁴¹	X	X									
Program Administration ⁴²	X										
Financial Management ⁴³	X					X					
Daily Project Management ⁴⁴		X	X								
Fair Housing Coordination ⁴⁵				X	X						
Homebuyer Education ⁴⁶				X							
Post Grant Management ⁴⁷	X					X					
Inspection and Field Construction ⁴⁸							X				
Acquisition and/or Land Banking ⁴⁹	X	X									
Local Government Oversight ⁵⁰	X	X	X			X					

⁴¹ General Program Oversight includes: Administering consulting services, Grant preparation and management, program amendments, and Environmental Review processes

⁴² Program Administration includes: Management of Admin Staff, public relations/marketing, coordination with local agencies (HFH, MHA, CAC, etc.), coordinate citizen participation/conduct client outreach, contractor certification, labor compliance, quality control

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⁴⁴ Daily Project Management includes: Client intake/determine eligibility, maintain files, conduct pre-construction

⁴⁵ Fair Housing Coordination includes: Receives and refers all Fair Housing complaints/questions, provides tenant/landlord information

⁴⁶ Homebuyer Education includes: Conduct counseling sessions/seminars, coordinate with organizations conducting seminars

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⁵⁰ Local Government Oversight includes: Contractor management of consultant/subcontractor, monitor financial records, monitor performance reports

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FACTOR 3 – Soundness of Approach**A. Proposed Activities**

The Consortium plans to undertake various methods to stabilize the targeted neighborhoods including:

1. NSP Eligible Use A: Establishing financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties;
2. NSP Eligible Use B: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;
3. NSP Eligible Use D: Demolish blighted structures;
4. NSP Eligible Use E: Redevelop demolished or vacant properties as housing;

In most cases, NSP2 funds will be used to expand and enhance the current efforts of the NSP1 program and other redevelopment activities underway in the target geographies. Given the high vacancy rates and very low absorption rates, the Consortium will seek to demolish at least 1600 blighted housing units, purchase and rehabilitate at least 402 units, and provide financing incentives to purchase and rehabilitate at least 419 units of foreclosed and abandoned housing. As a targeted approach, the Consortium is proposing to address 21% (32 census tracts) of the 153 total census tracts in the Consortium.

As the market study recommended, redevelopment activities will be focused with blight elimination taking place in a larger geography within the target areas. Areas with relatively low vacancies and few blighted structures will be targeted for NSP2 Eligible Use A. Partnerships with local lending institutions and Realtors® established through NSP1 will be expanded to provide incentives for LMMI homebuyers to purchase foreclosed homes with NSP2 funds.

In areas with high vacancy rates and high numbers of blighted structures, demolition strategies along with redevelopment will be employed to bring the vacancy rates to a more sustainable level of less than 10%. Due to an excess housing supply of over 5000 units, demolition in addition to preservation is a sound strategy. The Consortium is requesting that 20% of the NSP2 funds be used for the demolition of blight. See Appendix 2 for justification for the request of a waiver of the 10% limitation on demolition.

The Consortium has significant experience in the design, implementation, and management of neighborhood revitalization efforts. Recent neighborhood revitalization projects are good examples of successful approaches; the Phoenix Project, the Genesis Project, Wiles Creek, and the HOPE VI Project. The Genesis Project was the winner of the 2004 Audrey Nelson Community Development Achievement Award given by the National Community Development Association. The Consortium members are confident that the proposed activities will stabilize the target neighborhoods. NSP2 funds will provide the needed catalyst for private sector funds to be injected into the target neighborhoods.

The market study that was commissioned by the Consortium has the following observations and recommendations regarding the proposed approach. The market study is available on line at www.cityofdayton.org.

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.

Each Consortium member will be responsible for managing their share of the NSP2 funds, with the ultimate responsibility of program compliance resting with the Lead Entity. The Consortium Funding Agreements will layout the amount of funds each member will be allocated to undertake the program activities, as well as program goals and milestones that must be met. Due to the compressed timeframe of the grant, monthly status meetings will be convened among the Consortium members.

The programs proposed 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, financial incentives in areas with quality housing stock and low vacancy rates, and new construction activities to complement existing redevelopment efforts.

The elimination of blight is a key aspect of the Consortium's strategy. With property values and population declining, and vacancy rates on the rise, the Consortium must "right-size" the housing market through the elimination of blight, before any redevelopment efforts will be sustainable. The Consortium will encourage the reuse of the demolished properties by providing incentives to income eligible households to expand their yards. Consortium members will also develop new open space and pocket park areas, as well as community gardens and other community amenities with non-NSP2 funds.

While the blighting influences have been eliminated, non-profit partners will be engaged to purchase and rehabilitate foreclosed and abandoned residential properties. The Consortium members will provide marketing incentives such as home shows to generate interest and ultimately sales in the target areas. Areas targeted for renovation will also be targeted for infrastructure improvements, through existing programs, so that comprehensive neighborhood revitalization will be completed.

Based on the results of the market study and past experience, the Consortium will use the NSP2 funds in the following manner:

Greater Dayton NSP2 Consortium Budget

	NSP 2 Request	% of Funds	Firmly Committed Funds	Number of Units Produced
NSP Use A: Financing Mechanisms 24 CFR 570.206	\$ 6,720,000.00	11.21%	\$ 100,000.00	419
NSP Use B: Purchase & Rehabilitation 24 CFR 570,201(a,b,i,n); 24 CFR 570.202	\$ 35,405,000.00	59.03%	\$ 3,762,666.00	402
NSP Use D: Demolish Blighted Structures 24 CFR 570.201(d)	\$ 12,156,000.00	20.27%	\$ 3,000,000.00	1621
NSP Use E: Redevelopment 24 CFR 570.210(n)	\$ 240,000.00	0.40%		4
Administrative Costs	\$ 5,452,100.00	9.09%		
Total	\$ 59,973,100.00			2446

The Consortium will use the NSP2 funds in conjunction with our current allocations of NSP1, HOME and CDBG funds to ensure the successful revitalization of the target areas. All funds identified as “Other Funds Available” in the chart on the preceding page are committed to the target areas. The activities identified by the Consortium are expansions of existing redevelopment efforts. The NSP2 funds will allow the Consortium to expedite the recovery of the neighborhoods, rather than managing their decline.

As mentioned previously, the Consortium is planning to demolish a considerable number of blighted residential structures. Due an excess housing supply of over 5000 units, demolition in addition to preservation is a sound strategy. The Consortium is requesting a waiver of the 10% limitation on demolition; see Appendix 2 for justification for the request. Demolition must be a component of a successful redevelopment strategy for all of the issues discussed in Factor 1. The region continues to lose population and households. In addition, the region has lost over 45,000 jobs since 2000. Simply renovating housing, for which there are no households to occupy the units is a reckless approach and will lead to the continued decline of the target neighborhoods.

B. Project Completion Schedule

Monthly Milestones	New						Financing		Dollars Expended		
	General Management	Construction (Use: E)	Acquisition (Use: B)	Rehabilitation (Use: B)	Mechanisms (Use: A)	Demolition (Use: D)	Disposition (Use B)				
1	Complet RFP processes for devoper and contractors, execute agreements, complete ERR and other project set-up requirements.										
2			1	0	0	0	0	\$ 85,000.00	\$ 85,000.00	running total	% expended
3			13	4	13	40	2	\$ 1,727,400.00	\$ 1,812,400.00		3.02%
4	QPR		15	13	13	40	2	\$ 2,546,000.00	\$ 4,358,400.00		7.27%
5			20	20	20	74	19	\$ 3,966,398.00	\$ 8,324,798.00		13.88%
6			13	14	14	40	11	\$ 2,034,398.00	\$ 10,359,196.00		17.27%
7	QPR		15	15	13	40	11	\$ 2,009,398.00	\$ 12,368,594.00		20.62%
8			13	18	15	40	11	\$ 2,149,398.00	\$ 14,517,992.00		24.21%
9			17	14	12	40	11	\$ 2,129,398.00	\$ 16,647,390.00		27.76%
10	QPR	2	17	15	2	40	11	\$ 2,084,398.00	\$ 18,731,788.00		31.23%
11			15	14	4	37	11	\$ 2,019,398.00	\$ 20,751,186.00		34.60%
12			17	20	5	74	22	\$ 2,739,796.00	\$ 23,490,982.00		39.17%
13	QPR		19	17	27	74	22	\$ 2,368,796.00	\$ 25,859,778.00		43.12%
14			9	10	14	40	12	\$ 1,353,364.00	\$ 27,213,142.00		45.38%
15			15	20	41	111	34	\$ 3,362,092.00	\$ 30,575,234.00		50.98%
16	QPR	1	9	10	15	40	9	\$ 1,194,966.00	\$ 31,770,200.00		52.97%
17			11	9	16	40	12	\$ 1,338,364.00	\$ 33,108,564.00		55.21%
18			19	17	4	74	24	\$ 2,012,728.00	\$ 35,121,292.00		58.56%
19	QPR		11	13	4	40	12	\$ 1,544,564.00	\$ 36,665,856.00		61.14%
20			15	12	11	40	12	\$ 1,844,564.00	\$ 38,510,420.00		64.21%
21			15	15	20	63	22	\$ 2,737,128.00	\$ 41,247,548.00		68.78%
22	QPR		12	13	13	40	12	\$ 1,704,564.00	\$ 42,952,112.00		71.62%
23			12	11	13	40	12	\$ 1,804,564.00	\$ 44,756,676.00		74.63%
24			9	12	17	40	12	\$ 1,409,564.00	\$ 46,166,240.00		76.98%
25	QPR		15	19	20	85	20	\$ 2,372,028.00	\$ 48,538,268.00		80.93%
26			13	9	12	40	12	\$ 1,533,364.00	\$ 50,071,632.00		83.49%
27			11	9	3	40	11	\$ 1,358,898.00	\$ 51,430,530.00		85.76%
28	QPR	1	12	10	2	40	8	\$ 1,275,500.00	\$ 52,706,030.00		87.88%
29			12	10	2	40	8	\$ 1,425,500.00	\$ 54,131,530.00		90.26%
30			11	10	4	40	8	\$ 1,375,500.00	\$ 55,507,030.00		92.55%
31	QPR		8	10	12	40	8	\$ 1,045,500.00	\$ 56,552,530.00		94.30%
32			5	8	15	40	8	\$ 1,220,500.00	\$ 57,773,030.00		96.33%
33			0	4	16	40	6	\$ 615,500.00	\$ 58,388,530.00		97.36%
34	QPR		1	4	14	40	4	\$ 646,570.00	\$ 59,035,100.00		98.44%
35			2	1	12	40	1	\$ 558,000.00	\$ 59,593,100.00		99.37%
36			0	2	1	29	2	\$ 380,000.00	\$ 59,973,100.00		100.00%
TOTALS		4	402	402	419	1621	402	\$ 59,973,100.00			

C. Income Targeting for 120 Percent and 50 Percent of Area Median Income

The Consortium members are very familiar with income targeting and will only fund households meeting the income guidelines. The requirement that the funds be expended to benefit a minimum of 25% of households at or below 50% of the Area Median Income will be met by partnering with local non-profit housing agencies that target this clientele, such as Habitat for Humanity and Dayton Metropolitan Housing Authority. The Consortium will fund a number of rental and homeownership programs that will ensure that 25% of all funds will be used to assist those below 50% of median income. These guidelines will be placed in all funding agreements and contracts.

Based on the Consortium's NSP2 request for \$59,973,100, the Consortium will have an obligation to expend \$14,993,257.00 to purchase and rehabilitate foreclosed and abandoned residential properties for households with an income of 50% AMI or below. The Consortium has already begun planning for these expenditures. Since this income targeting requirement was present with NSP1 funds, each Consortium member is engaged with various housing providers to meet this obligation. These funds will be used to provide rental housing, homeownership opportunities, and permanent supportive housing opportunities for formerly homeless individuals.

D. Continued Affordability

The Consortium will ensure continued affordability for NSP2 income eligible households through deed restrictions and specific language regarding affordability in respective grant/loan notes. In considering multi-family rental units purchased utilizing NSP2 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 Consortium 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 Consortium will enforce deed restrictions on applicable projects. The Consortium 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 Consortium will utilize the HOME recapture provision to ensure affordability.

E. Consultation, Outreach, Communications

- (1) Consortium members have been meeting regularly since the introduction of the NSP and NSP2 program. In addition, the Consortium has been meeting with various non-profit housing partners and potential subrecipients to determine appropriate target areas, activities, goals, and outcomes for each potential neighborhood. It is anticipated that many of the partners undertaking implementation of the NSP1 program, will continue to be partners in the NSP2 program to maintain

continuity and impact within the target neighborhoods. In addition, the City of Dayton and other members of the Consortium have websites dedicated to the NSP1 and NSP2 application information, www.cityofdayton.org, www.mcoho.org/ced, www.ketteringoh.org, and ci.fairborn.oh.us/nb.htm, www.dmha.org

- (2) In order to ensure there is steady stream of families able to rent or purchase homes that are funded with NSP2 and NSP1 funds, the Consortium is partnering with HUD approved counseling agencies. Consortium members fund various homebuyer education courses and homebuyer fairs that develop families and promote available units. Since time is of the essence, the Consortium will enter into contracts with various Realtors® to market and sell the available homes. Consortium members consult 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®.
- (3) Additionally, members of the Consortium have procured marketing and public relations services for NSP1 that will carry over into NSP2 and can be used as a model for other Consortium members. These services are being used to market current NSP1 homes located in an initial NSP target area known as “The Huber Village Green”. The marketing elements include television, outdoor and newspaper advertising; collateral material such as over-sized postcards, partner counter cards, posters, statement stuffers, site signs, and web-site additions. The marketing elements will be used to attract potential homebuyers, and to increase the awareness of NSP efforts to the community at large.

The Consortium members will continue to meet monthly to report on milestones, accomplishments and to address any unforeseen stumbling blocks. In addition, quarterly reports will be provided to the public that detail the accomplishments of the program. All complaints or concerns raised by interested parties and citizens will be addressed within 15 days of receiving notice. The Consortium is committed to transparency and an effective relationship with development partners, neighborhoods, and other constituents.

F. Performance and Monitoring

- (1) As direct recipients of HUD funds, the Consortium understands the needs and requirements for monitoring all program activities and ensuring performance to meet the aggressive timeliness of the NSP2 funds. The Consortium will have monitoring and performance requirements in each sub-recipient or development agreement. Quarterly reports that are tied to specific benchmarks will be required to be submitted to the Lead Entity. Each Consortium member will be required to undertake quarterly monitoring of their sub-recipients or contractors.
- (2) Internal audits are performed by an internal auditor from the City of Dayton’s Office of Management and Budget. The auditor is located in a different department from the NSP program managers, and is completely autonomous in the auditing function. This auditor has the expectation and authority to oversee the internal controls of the NSP1 and NSP2 program with the City of Dayton, and the NSP2 program of the Consortium members. Due to the complexity and timeliness of these programs, the auditor’s work program only includes the NSP1 and NSP2 programs.

- (3) Additionally members of the Consortium have procured services from the University of Dayton Business Research Group to assist with outcome measurements and performance monitoring of NSP1. Such services will carry over into NSP2. These services include, measuring the impact of the program on the identified target areas by assessing changes in neighborhood property values and residential sales, assessing changes in crime rates and code violations, and providing feedback to the NSP2 team regarding improvements to project management practices.

Factor 4 - Removal of Substantial Negative Effects

The requested NSP2 funds, combined with the other committed funds in this proposal, are sufficient to address 2446 of the 5802 vacant homes located in 32 census tracts. A fully funded NSP2 program would allow the consortium to address 42% of the vacant homes in the target areas.

Formula detail:

- 821 properties addressed through acquisition/rehab
- 1,621 properties addressed through demolition
- 5,802 total vacant properties

Rubric: $(1.5 \times (821) + 1621)/5802 = .49$

97% of the Consortium target areas are served by RTA, routes within the City of Fairborn are provided through Green County Area Transportation Service, which operates an on-demand system. The user can request transportation services through a central dispatching center.

Further, 97% of the target geography has access (that does not require daily private automobile usage for commuting) to the Greater Dayton Job Center, <http://www.thejobcenter.org>. The Job Center is the largest one-stop employment and training center in the United States. The Job Center's mission is to serve as a resource for labor-market exchange and workforce development while providing individuals and families with financial, medical, and other support services essential to strengthening the quality of life. This public/private partnership is made up of forty-seven organizations housed in an eight and a half acre facility. The Center has been internationally recognized for its ability to bring employers, educators, and social service agencies together to deal with workforce development issues.

Green Building Standards

The Consortium members are advancing affordable housing past the traditional limits of a purchase price or a percentage of income. The Consortium defines affordable housing as housing that is affordable to purchase, to operate, and to maintain. NSP 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 members of the Consortium have established the following **GREEN BY DESIGN** guidelines: (all specifications and product recommendations will come from the Energy Star website at www.energystar.gov.)

- **ENERGY STAR** Windows
- **ENERGY STAR** Furnace and Air Conditioning, Energy Star estimates a 10% reduction in annual energy costs with the installation of a high efficiency furnace
- Programmable Thermostat
- Energy Efficient Lighting Package, compact fluorescent lights (CFL's) use 75% less energy than incandescent lights, the Consortium members propose to install CFL's in the fixtures used most often, use T-8 bulbs in all fluorescent fixtures
- **ENERGY STAR** Rated Appliances and Water Heaters, Energy Star appliances use 10-50% less energy and water than standard models
- Eco-Friendly Flooring, Consortium members will consider carpet that is made from recycled material and is recyclable
- 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
- Sealing of Duct Work
- Caulking and Weather Stripping of Windows, Doors, & Outlets
- Use of Low VOC Paints, Caulks, Sealants, & Adhesives
- Water Conservation

By adhering to these guidelines, members of the Consortium are 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 **ENERGY STAR**, a NSP homeowner can save more than 30%, or \$700 per year.

These Green By Design Standards will be included in each sub-recipient agreement and the Consortium 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. Members of the Consortium have also committed funds and resources to support local non-profits such as CountyCorp who currently has two HERS Certified staff members. CountyCorp will then train other members of the Consortium as well as provide ratings and recommendations for the rehabilitation of NSP2 eligible properties.

Re-use of Cleared Sites

Every effort will be made to reuse cleared sites for the following purposes: expanded side yards for LMML individuals, pocket parks, community gardens, recreational areas, or for housing redevelopment. The Consortium members believe that demolition alone will not stabilize neighborhoods and that an effective strategy dealing with underutilized land must be developed. To that end, partnerships with neighborhood associations, the County Park District (Five Rivers MetroParks), and housing providers will be developed to reuse the cleared sites in a manner consistent with local plans and good planning practices.

Deconstruction

The Consortium is planning to use deconstruction techniques for many structures and is cultivating relationships with community partners including: East End Community Services, Dayton Urban League, Preservation Dayton Inc., and Habitat for Humanity's ReStore. Over the last two years members of the Consortium have been meeting with the interested parties in exploring a model program to allow for the reuse of a portion of hazard-free materials from demolished buildings. The Consortium will be linking deconstruction with workforce development and Section 3 initiatives to provide job training and employment opportunities to low and moderate income individuals. The Consortium is committed to salvaging materials from all structures, and will commit to fully deconstructing 10% of the units targeted for demolition.

Other Sustainable Activities

Additional environmentally friendly and energy-efficient activities the Consortium will undertake include:

- 1) Not locating any project within 100 feet of wetlands; 1000 feet of critical habitat; on steep slopes, parkland or prime farmland.
- 2) The Consortium will implement the EPA's Best Management Practices for erosion and sedimentation control during construction.
- 3) Native plants will be used for landscaping.
- 4) Only non-spray and low volume irrigation (drip irrigation) will be installed.
- 5) Consortium members and partner jurisdictions will promote and conduct homebuyer outreach activities to eligible public service employees such as teachers, police/fire, etc. in an effort to encourage sustainable development. Such efforts create sustainable communities by reducing pollution emissions through reductions in travel times. Additionally, many public service employees are long time employees; encouraging the purchase of redeveloped NSP properties may reduce future abandonment and vacancies.
- 6) Utilizing the local Material Reuse Facility for reusable building materials to be utilized in the redevelopment of NSP properties. CountyCorp has modeled this practice successfully.

FACTOR 6 – Neighborhood Transformation and Economic Opportunity

A. Consistency with Established Comprehensive Plan

Each governmental entity in the consortium has an established comprehensive plan, and the Consortium certifies that all redevelopment activities are consistent with locally adopted plans. These plans can be found at the following websites:

City of Dayton

<http://www.cityofdayton.org/cco/Documents/Focus2010book.pdf>

City of Fairborn

<http://ci.fairborn.oh.us/nb.htm>

City of Kettering

http://www.ketteringoh.org/newweb/pdfs/planning/Kettering_Comp_Plan.pdf

Montgomery County

A hard copy of Montgomery County's comprehensive plan may be obtained from the County's authorizing agency: Montgomery County Planning Commission, 451 W. Third Street, 10th Floor, PO Box 972, Dayton, OH 45422-1350, phone (937) 225-4351, fax (937) 225-6327. In addition to the County plan, many of the jurisdictions to be addressed with NSP2 funds from Montgomery County have comprehensive plans. These include:

West Carrollton- CT503.01: <http://sustainabledevelopment.osu.edu/Project%20Updates/west-carrollton-comp-plan/west-carrollton-comp-plan>

City of Riverside- CT903.02 & 906: <http://www.riverside.oh.us/economicdevplanning.php#>

Harrison Township- CT 801: <http://www.harristownship.org/pdf/HarrTwp1Intro0506.pdf>

Further, Miami Valley Regional Planning Commission (MVRPC) is undertaking a regional land use plan that will incorporate each of the target areas. While this plan is still under development, substantial progress has been made and can be found at: <http://www.mvrpc.org/rlu/>. Again, this plan also is consistent with the NSP2 activities in the targeted areas.

B. NSP2 Projects Relate To and Increase the Effectiveness of Each Established Locally Adopted Comprehensive Plan.

The City of Dayton's strategic plan, "*Focus 2010*" states that "Whenever possible, the City will leverage public investments with private investments to stabilize and strengthen neighborhoods and protect community assets. Efforts to right-size the city's housing market will include intensifying code enforcement efforts, removing obsolete and nuisance structures, and supporting the creation of new housing products in Dayton neighborhoods." *page 4*. The NSP2 project goals of demolition and rehabilitation of existing structures directly advance the strategic plan goals.

The City of Kettering's comprehensive plan encourages the city to "Improve the condition of existing housing stock... to balance (sic) with the need for continued home improvements to ensure that housing in Kettering can compete with newer housing in outlying suburbs" *page 33*. The NSP2 project goals of new construction and rehabilitation of existing structures relate directly to the comprehensive plan goals.

The City of Fairborn's comprehensive plan encourages the city to sustain a diversity of choice in housing, and to aid short and long time residents by facilitating their abilities to stay within the Community to which they have grown accustomed. The Comprehensive Plan calls for assisting those in need with affordable, convenient housing and to assist long-term residents maintain their homes and to expand their opportunities to better their living conditions. The NSP2 proposed activities directly impact those goals by providing just such services.

Montgomery County's comprehensive plan outlines the following residential land use policies in which the proposed NSP2 activities are related and further the effectiveness of the comprehensive plan goals:

- Policy 5.23 on page VII-21 states, *“The planning commission, in recognizing the need for low and moderate income housing and housing for the elderly in areas throughout the County, supports smaller amount of such housing intermixed with nonsubsidized development, as opposed to large concentrations of such housing”*
- Policies 5.28-5.30 on page VII-22 state:
 - *“Encourage public, private, nonprofit, and cooperative associations and join public-private partnerships to enter the low and moderate income housing market.”*
 - *“Develop local mechanisms and processes which ensure coordination between public, private, and consumer sectors of the area’s housing market.*
 - *“The planning commission will support the continuation of improvement projects in community development areas, and will support the revitalization and protection of these neighborhoods in its land use, zoning and transportation planning efforts.*

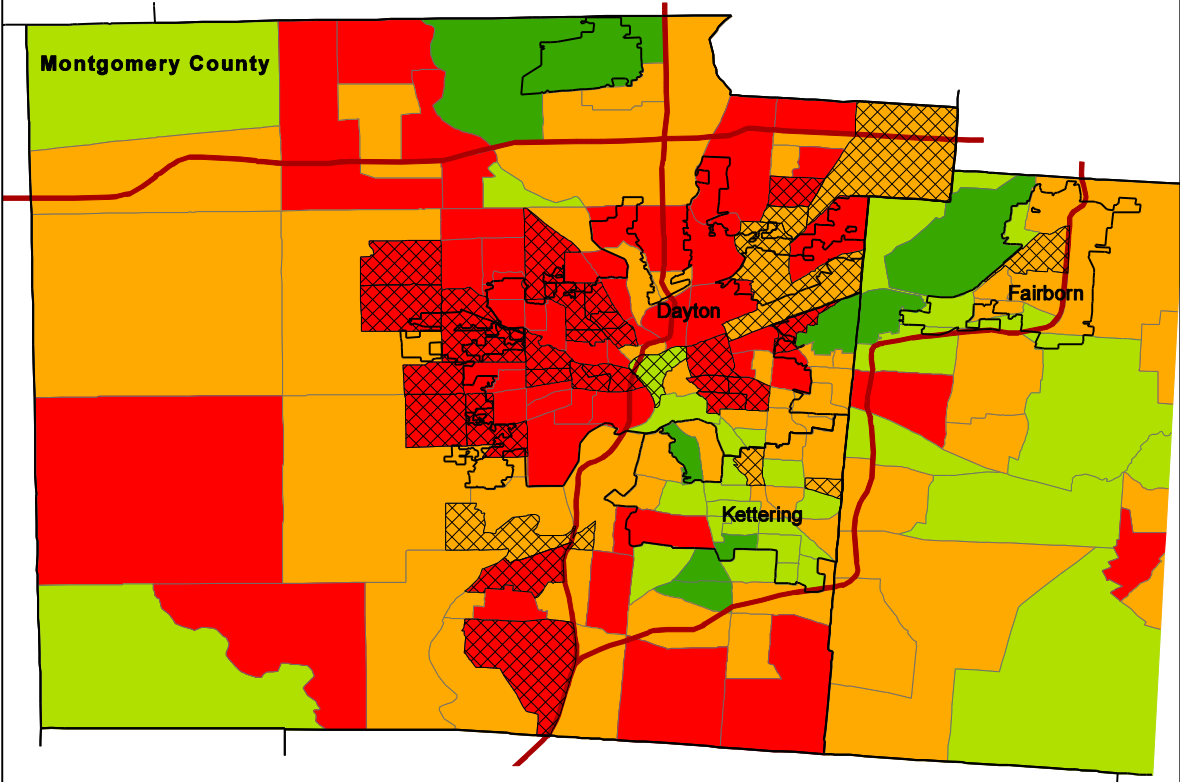
Disclosures:

HUD-2880, Applicant/Recipient Disclosure/Update Report.

Appendix 1 – Target Geography

Jurisdiction	Census Tract	Foreclosure Score	Vacancy Score	Max Score
Dayton - Dayton View Triangle / Fairview	5	19	20	20
Dayton - University Row	6	20	19	20
Dayton - Hillcrest	8.01	20	20	20
Dayton - Santa Clara / Mount Vernon	8.02	20	20	20
Dayton - Five Oaks	9	20	20	20
Dayton - Downtown	15	9	9	9
Dayton - Historic Inner East	19	19	20	20
Dayton - Twin Towers	22	20	20	20
Dayton - Linden Heights	26	19	19	19
Dayton - Walnut Hills	33	18	20	20
Dayton - Wright Dunbar Village / Wolf Creek	36	18	20	20
Dayton - Roosevelt / MacFarlane	37	20	20	20
Dayton - Westwood	38	20	20	20
Dayton - Westwood	39	20	20	20
Kettering	210	15	15	15
Kettering	213.02	15	13	15
Montgomery Co.-Olde Downtown	503.01	17	18	18
Montgomery Co.-Sherwood Forest/Orchard Hill	503.02	18	15	18
Montgomery Co.-Market Square	505.01	18	14	18
Montgomery Co.-Union/35/Ridgewood	602	19	19	19
Montgomery Co.-Taft/Davenport	603	20	18	20
Montgomery Co.-Drexel/Crown	702.01	19	16	19
Montgomery Co.-Townview	703	20	19	20
Montgomery Co.- Oldetown	704	19	16	19
Montgomery Co.-Broadmoor/ Oldetown	705	19	17	19
Montgomery Co. -Fort Mckinley	801	19	17	19
Montgomery Co.-Avondale	903.02	17	19	19
Montgomery Co.-Floral Park/Riverside Terrace	906	18	19	19
Montgomery Co.-Huber Heights	1003.01	18	15	18
Montgomery Co.-Huber Heights	1003.02	17	16	17
Montgomery Co.-Huber Heights, Misty	1004	15	15	15
Fairborn - Pleasantview	2005	17	13	17
			Average Score:	18.5

Foreclosure Index

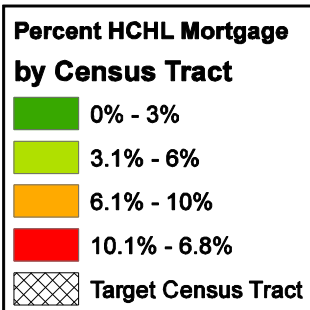
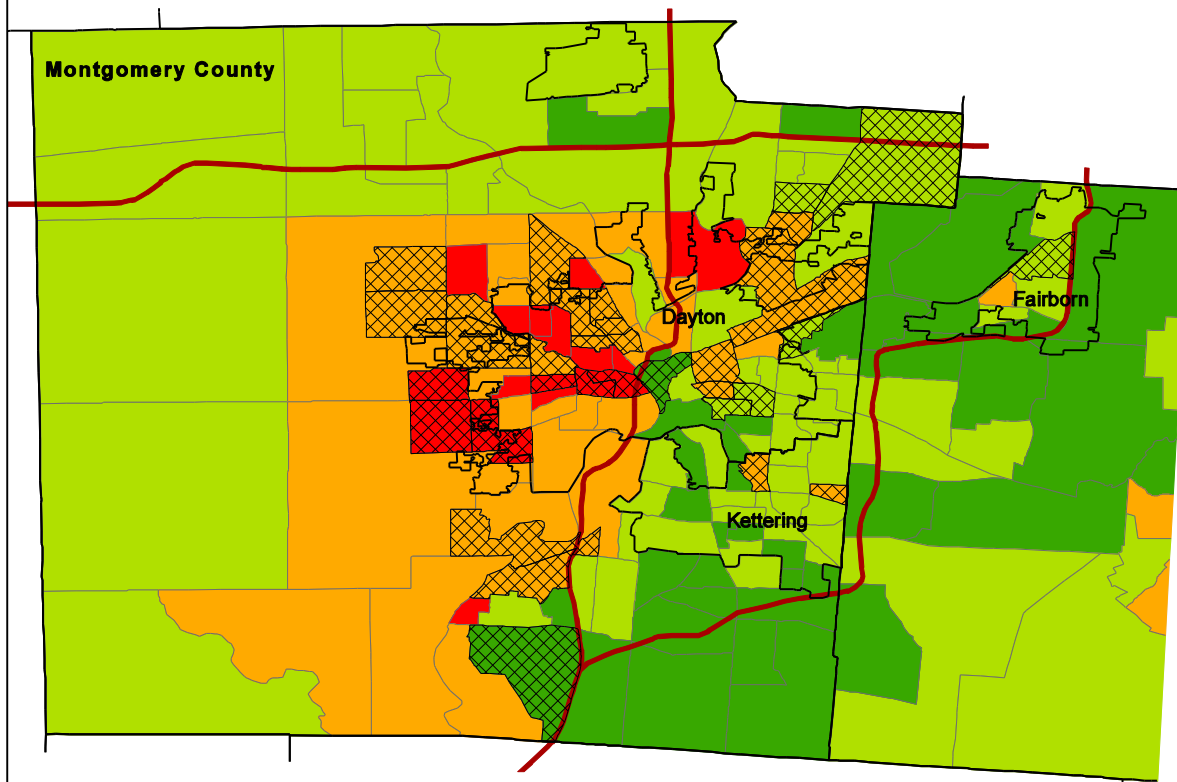


City of Dayton Department of Planning and Community Development
July 2009

Note: The Consortium is planning to target 21% (32 census tracts) of the 153 total census tracts in the Consortium area.

Percent of High-Cost/High Leverage HMDA Mortgage

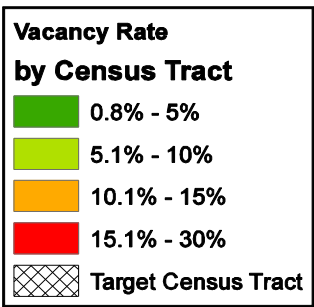
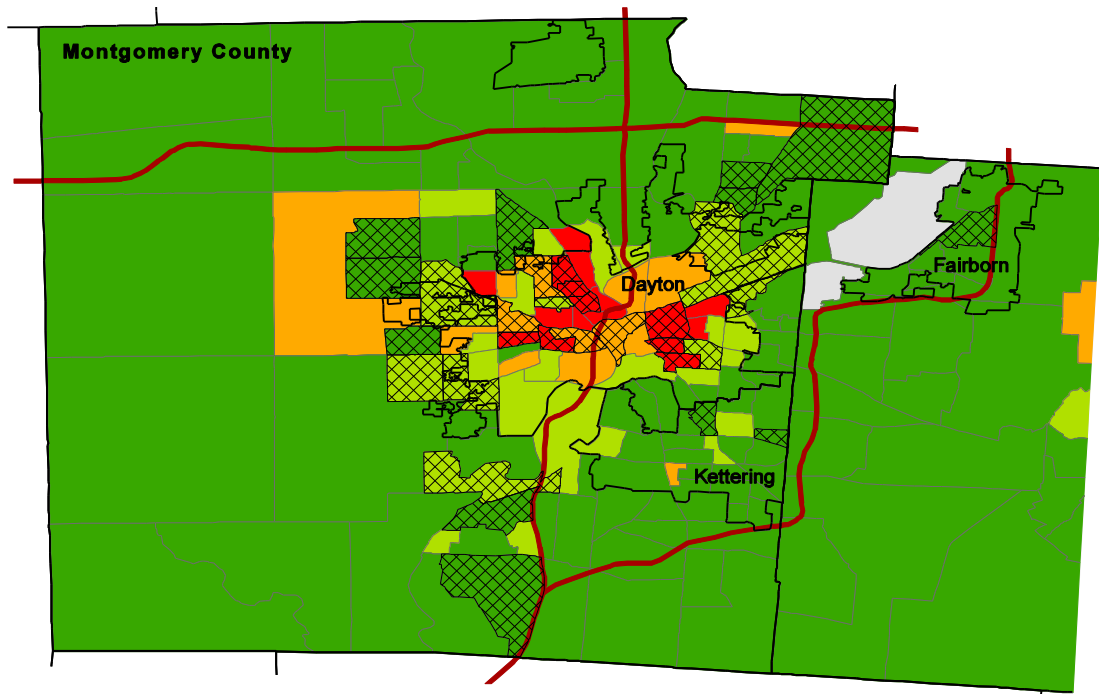
2004-2007, by Census Tract



City of Dayton Department of Planning and Community Development
July 2009

Note: The Consortium is planning to target 21% (32 census tracts) of the 153 total census tracts in the Consortium area.

Area Vacancy Rates



City of Dayton Department of Planning and Community Development
July 2009

Note: The Consortium is planning to target 21% (32 census tracts) of the 153 total census tracts in the Consortium area.

Appendix 2 – Request for Exemption of the Demolition Spending Limits

The supply of housing within the Consortium has been in a worsening state of “excess supply” over the last thirty years. The analysis of the proposed target areas indicates the numbers of excess housing units that exist in the areas today and are projected to exist in the target areas by 2013. The long-term decline in population and households strongly suggests that the excess housing supply in the market, today, will only expand in the future without an effort to stabilize market occupancy levels for a target population and number of households projected five years into the future. Traditionally, housing markets have been regarded to be stabilized, a supply and demand balance or equilibrium, at a vacancy rate of five percent (5%). To reach this level, given the continuing decline in the number of households suggests that 5,426 housing units should be demolished in order to have a stable housing market at the completion of revitalization projects by 2013. Thus, the Consortium is requesting a waiver to allow 20% of the Consortium’s NSP2 funds be used for removal of 1621 blighted structures.

The declining population and number of households, coupled with an excessive number of residential mortgage foreclosures in recent years, has caused the excess supply of housing units in the Consortium to impair the region’s housing market in general. Demographic data demonstrating the long-term population decline of the region is illustrated below.

Consortium Area Population Change								
			CHANGE		CHANGE		CHANGE	CHANGE
	1990	2000	1990-2000	2008	2000-2008	2013	2008-2013	1990-2013
Metropolitan Area								
Total Population	843,841	848,153	4,312	832,480	(15,673)	818,392	(14,088)	(25,449)
Total Housing Units	342,219	364,407	22,188	384,659	20,252	397,479	12,820	55,260
Total vacant Units	18,754	25,436	6,682	47,198	21,762	63,199	16,002	44,446
Vacancy Rate	5.5%	7.0%		12.3%		15.9%		
Montgomery County								
Total Population	573,810	559,062	(14,748)	534,063	(24,999)	516,260	(17,803)	(57,550)
Total Housing Units	240,820	248,443	7,623	256,682	8,239	262,007	5,325	21,187
Total vacant Units	14,618	19,205	4,587	36,243	17,039	48,314	12,071	33,696
Vacancy Rate	6.1%	7.7%		14.1%		18.4%		
City of Dayton								
Total Population	184,439	166,489	(17,950)	151,557	(14,932)	144,067	(7,490)	(40,372)
Total Housing Units	80,984	77,451	(3,533)	76,026	(1,425)	76,213	187	(4,771)
Total vacant Units	7,710	9,906	2,196	14,224	4,318	17,369	3,144	9,659
Vacancy Rate	9.5%	12.8%		18.7%		22.8%		

Housing vacancy in Ohio, today, is slightly less than the national average; however, housing vacancy rates in the Dayton MSA, Montgomery County, and the City of Dayton are all higher than the national average vacancy rate. Housing vacancy in Montgomery County and the City of Dayton are estimated at 14.1% and 18.7%, respectively in 2008. The housing vacancy rate in Montgomery County and the City of Dayton in 2013 are projected to be significantly higher than the nation, the State of Ohio, and the Dayton Metropolitan

Area. These two vacancy rates are projected to jump to 18.4% and 22.8%, respectively by 2013. The current status of the housing market, nationwide, suggests that too many housing units have been built in recent years. Much of this trend can be attributed to the severe decline of industry; especially the domestic auto industry, and the exodus of major companies in the local market in the current recession.

Data from the Dayton Area Board of Realtors indicates that less than fifty percent (50%) of all residential listings, annually, have actually sold in the local market since 2000. The number of sales annually did not show any significant effects of the housing bubble witnessed nationally between 2003 and 2007. The average sales prices in the regional market have shown substantial declines in recent years, likely the combined effects of declining housing demand and the numbers of homes in foreclosure.

General market conditions suggest that both the City of Dayton and Montgomery County are going to continue to lose population and households in the future. Local employment statistics indicate that the Dayton MSA continues to lose jobs. The Dayton MSA has lost 45,000 jobs between 2000 and today. Many of the jobs lost in the current recession will not return when the economy rebounds because many of the local job losses have occurred as the result of plant closings and the exodus of companies from the local marketplace. Most of these job losses are concentrated in companies located in the City of Dayton and Montgomery County. The composition of employment in the local market now resembles the nation as a whole. Previously, the local market was heavily dependent on manufacturing jobs concentrated in the domestic auto industry. Unfortunately, the wage rates of the jobs lost have been higher than the jobs that are available now in the local market. The reduction of wage expectations in the local marketplace can be expected to continue for the long term affecting housing and virtually all consumer expenditures

The effects of the current recession that is gripping the nation should abate in the near future, and there will be a rebound in the marketplace as the economy stabilizes and possibly expands. While this may be a macro-market observation, the population of the Dayton MSA, Montgomery County, and the City of Dayton are all projected to continue to decline through 2013. In essence, the changes underway today are projected to continue into the future without regard for changing conditions of the economy, in general. These long-term trends suggest that the excess housing inventory, today, will only get worse in the future without an intervention of the public sector to deliberately reduce the inventory of existing housing units on the landscape in the local market.

Appendix 3 – Calculation of Removal of Negative Effects Using HUD Provided Rubric

Target Area	Vacancy rate	# of vacant residential properties	# of properties addressed through demolition	# of properties addressed through acquisition & rehab	Total units addressed	Rubric Score
Dayton - Santa Clara / Mt Vernon (CT 8.02)	40.54%	650	200	20	220	0.35
Dayton - Five Oaks (CT 9)	22.73%	435	150	50	200	0.52
Dayton - Dayton View / Fairview (CT 5)	13.25%	200	100	30	130	0.73
Dayton - University Row (CT 6)	7.84%	67	0	20	20	0.45
Dayton - Hillcrest (CT 8.01)	19.42%	422	100	60	160	0.45
Dayton - Downtown (15)	12.50%	95	0	40	40	0.63
Dayton - WDV / Wolf Creek (CT 36)	13.49%	118	5	58	63	0.78
Dayton - Roosevelt / MacFarlane (CT37)	24.08%	281	55	40	95	0.41
Dayton - Westwood (CT 38)	14.98%	317	61	60	121	0.48
Dayton - Westwood (CT 39)	19.01%	314	50	60	110	0.45
Dayton - Inner East (CT 19)	25.71%	661	150	70	220	0.39
Dayton - Twin Towers (CT 22)	25.85%	400	180	20	200	0.53
Dayton - Linden Heights (CT 26)	9.90%	282	50	66	116	0.53
Dayton - Walnut Hills (CT 33)	16.29%	397	75	65	140	0.43
Montgomery Co. - Fort McKinley-801	13.90%	208	100	0	100	0.48
Montgomery Co. - Drexel/Crowne-702.01	9.00%	62	50	0	50	0.81
Montgomery Co. - Townview-703	14.44%	211	100	0	100	0.47
Montgomery Co. - Oldetown-704	4.01%	79	35	10	45	0.63
Montgomery Co. - Broadmoor/Oldetown-705	4.77%	86	35	10	45	0.58
Montgomery Co. - Union/35/Ridgewood-602	15.30%	76	50	8	58	0.82
Montgomery Co. - Taft/Davenport-603	13.30%	75	50	8	58	0.83
Montgomery Co. - Avondale-903.02	8.65%	31	20	3	23	0.79
Montgomery Co. - Floral Park/Riverside Terr-906	9.19%	20	5	15	20	1.38
Montgomery Co. - Current NSP area-1003.01	2.73%	35	0	15	15	0.64
Montgomery Co. - Current NSP area-1003.02	4.01%	28	0	10.0	10	0.54
Montgomery Co. - Misty-1004	3.28%	35	0	8.0	8	0.34
Montgomery Co. - Olde Downtown-503.01	3.00%	56	0	5	5	0.13
Montgomery Co. - Sherwood Forest/Orchard Hill-503.02	1.50%	30	0	5	5	0.25
Montgomery Co. - Market Square-505.01	1.00%	48	0	8	8	0.25
Kettering - Wiles Creek - CT210	4.00%	32	0	17	17	0.80
Kettering - Rolling Fields - 213.02	2.00%	21	0	15	15	1.07
Fairborn - CT 2005	9.00%	30	0	25	25	1.25
Consortium Total		5802	1621	821	2442	0.49

Appendix 4 – Code of Conduct Policy

CITY OF DAYTON CODE OF ETHICS

Issued December 6, 2004

I. PURPOSE

The proper operation of democratic government requires that actions of public employees be impartial; that government decisions and policies be made in the proper channels of government structure; that public office not be used for personal gain; and that the public have confidence in the integrity of its government. In recognition of these goals there is hereby established a Code of Ethics for all officials and employees appointed by the City Manager.

The purpose of this Code is to establish ethical guidelines of conduct for all such officials and employees by setting forth those acts or actions that are incompatible with the best interests of the City of Dayton and its citizens. While the City's employees can justly take pride in the virtual absence of corruption in City government, it is to the benefit of both the Civil Service and the citizenry that written standards of conduct be clearly set forth, thereby informing the citizens what they may rightfully expect from their public servants and protecting City employees from unwarranted demands.

II. DEFINITIONS

Employees – Any member of the classified or unclassified service accountable to the City Manager.

Financial Interest – Any interest which shall yield directly or indirectly, a monetary or other material benefit (other than duly authorized salary or compensation for services to the City) to the employee or any other person retaining the services of the employee.

Person – Any person, firm, association, group, partnership, or corporation or any combination thereof.

Contract - Any contract, agreement authorization, loan claim, service, sale or memorandums or understanding made under the auspices of the City of Dayton or any litigation out of or involving the aforementioned items.

Authority – The Department Director, Superintendent or other official or his appointee who is accountable for the proper and ethical operation of the agency, division, or department.

III. THE CODE OF ETHICS

As employees of the City of Dayton we should:

1. Strive to protect and enhance the reputation of the City of Dayton and its employees, remembering that City employees are public servants.
2. Treat all citizens equally with courtesy and impartiality, and refrain from granting any special advantage to any citizen beyond what is available to all citizens.

3. Give efficient, productive and economic service to the public, always putting a full day's labor for a full day's pay.
4. Avoid real or potential conflicts between private and public duties, remembering that the public interest must be the principal concern.
5. Keep confidential all information acquired by reason of one's position which may be used for personal or financial gain for the employee or other persons consistent with the public's right of access to public information.
6. Refrain from securing special privileges or exemptions for one's self or one's relatives or other persons that are not available to all citizens.
7. Avoid receiving, soliciting or otherwise obtaining anything of valuable benefit from any other public official, employees, or citizens which is intended to influence the performance of official duties.
8. Use City vehicles, equipment, supplies, and/or property only for City work, and not for personal benefit or profit.
9. Declare to the appropriate authority the nature and extent of any financial or personal interest in a City contract or other legislation, where participating in discussions of or giving an official opinion on the matter.
10. Avoid exceeding one's authority or stretching the law or asking other persons to do so. Cooperate fully with other employees unless prohibited by law or confidentiality.
11. Handle all matters of personnel on the basis of merit, impartiality and fairness.
12. Seek no favor; believe that personal profit by misuse of public time is dishonest.
13. Avoid directly or indirectly using one's position with the City to influence the general public or another employee to contribute or vote for or against any candidate for any elective public office.

IV. GUIDELINES

The following guidelines are tools for interpreting the Code of Ethics for City of Dayton employees. They are designed to deal with more specific situations which may confront the City employees in the course of their duties. These are not absolute but serve as indicators for ethical behavior for public servants. These guidelines should be used as a frame of reference by all employees and by the Board of Ethics, remembering that all violations are of the Code, not of the guidelines.

1. Impartiality

No employees shall grant or make available to any person any consideration, treatment, advantage or favor beyond that which is the general practice to grant or make available to all citizens.

2. Use of Public Property

No employee shall request, use, or permit the use of any publicly-owned public supported property, vehicle, equipment, or labor, service, or supplies (new, surplus, scrap or obsolete) for the personal convenience or the private advantage of said employee or any other person, except when those aforementioned items are available to the public generally.

3. Gifts and Favors

A City employee should not directly or indirectly solicit any gift, or accept or receive any gift whether in the form of money, services, loan, travel, entertainment, hospitality, promise, or any other form, under circumstances in which it can be reasonably inferred that the gift was intended to influence him, or reasonably be expected to influence him, in the performance of his official duties or was intended as a reward for any other official actions on his part. It is important that the prohibition of unsolicited gifts be limited to circumstances related to improper influence.

4. Incompatible Employment

A City employee should not hold outside employment that is prohibited by the Charter or interferes in any manner with the performance of his or her City responsibilities (see Personnel Policy 2.06 – Supplemental Employment of City Employees). No use should be made of City-owned materials or facilities in performing such outside work nor should such work be done on City time.

5. Representation of Private Persons

A City employee should not represent the interests of any private person in any proceeding before a board or agency or other office of the City, unless such representation is understood to be within the scope of responsibility of the employee.

6. Confidential Information

Information of a confidential nature which is acquired by a City employee in the course of his/her employment should not be disclosed without proper authorization. This provision is not intended to restrict the free flow of public information.

7. Interest in City Contracts

A City employee should not have a pecuniary interest in any contract with the City, regardless of whether he is involved with a relative of the contractor or the administration of the contract.

8. Political Activities

Certain political activities are prohibited by the City Charter. These restrictions are generally contained in Personnel Procedure 2.03 and are included herein by reference.

V. INTERPRETATIONS

All employees shall attempt to secure interpretation of the Code and its guidelines from his/her Department Director. It should be noted that the restrictions for one agency may not apply to another, depending on the service that agency provides. Any questions as to interpretation shall be referred to the Code of Ethics Advisory Board for resolution.

VI. CODE OF ETHICS ADVISORY BOARD

The Board shall be appointed by the City Manager and shall consist of the following five voting members:

1. One Deputy/Assistant City Manager;
2. One Director;
3. One Division Manager;
4. One Mid-Manager;
5. One Rank and File.

The Deputy/Assistant City Manager will serve as chairperson with the City Attorney and Human Resources Director providing technical advice as non-voting ex officio members. The City Manager's Office shall supply staff support as necessary.

Primary Functions:

The primary function of the Board will be to act as an advisory body to City officers and employees, and the City Manager relative to the Code, with the exception of alleged violations of the Political Activities Policy.

Members of the Board are charged with keeping all information confidential. They shall monitor the Code of Ethics and recommend changes as the need arises.

They shall publish all positions which set precedents, making sure the privacy of those involved is protected.

The Board will be charged with the publishing and distribution of all decisions and interpretations.

Meetings:

The Board will meet as often as necessary to reply to all inquiries, complaints and requests within three weeks of filing with the City Manager's Office.

Four members shall constitute a quorum.

If a member of the Board has other than a neutral interest in a matter before the Board, that member shall not participate in the consideration or determination of such matter. The remaining members shall constitute the full Committee.

Appendix 5 -Signed Certifications

Appendix 6- Summary of Citizen Comments

No citizen comments were received regarding the NSP2 application.

The NSP2 application is available at: <http://www.cityofdayton.org/departments/pcd/Pages/NSP2.aspx>

Appendix 7 - Definition of Blighted Structures

The Consortium adheres to the following definition and guidelines for blighted structures as described in the Ohio Revised Code:

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.

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:

(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.

(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.

(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.

(d) Whenever any building or structure is determined to be a fire hazard.

(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.

(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:

1. Strength;
2. Fire-resisting qualities or characteristics; or
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.

(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.

(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:

1. An attractive nuisance to children;
2. A harbor for vagrants, criminals or immoral persons; or as to
3. Enable persons to resort thereto for the purpose of committing unlawful or immoral acts.

(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 deterioration of its non-supporting members, enclosing or outside walls or coverings.

(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.

(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.

(l) Whenever the building or structure, or any portion thereof, because of:

1. Dilapidation, deterioration or decay;
2. Faulty construction;
3. The removal, movement or instability of any portion of the ground necessary for the purpose of supporting such building;
4. The deterioration, decay or inadequacy of its foundation; or
5. Any other cause; is likely to partially or completely collapse.

(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.

(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.

(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) 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.

(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.

(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.

(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.

II. The following conditions shall constitute a public nuisance:

(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.

(b) That which is defined as a nuisance in R.C. § 4301.73, which is incorporated herein by reference and made a part hereof.

(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.

Appendix 8 - Definition of Affordable Rents

The Consortium adheres to HUD's generally accepted definition of affordability in which a household is to pay no more than 30 percent of its annual income on housing costs. 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.

Appendix 9 – Housing Rehabilitation Standards

The Consortium will use the Ohio Department of Development's 2008 Residential Rehabilitation Standards, which are attached.