

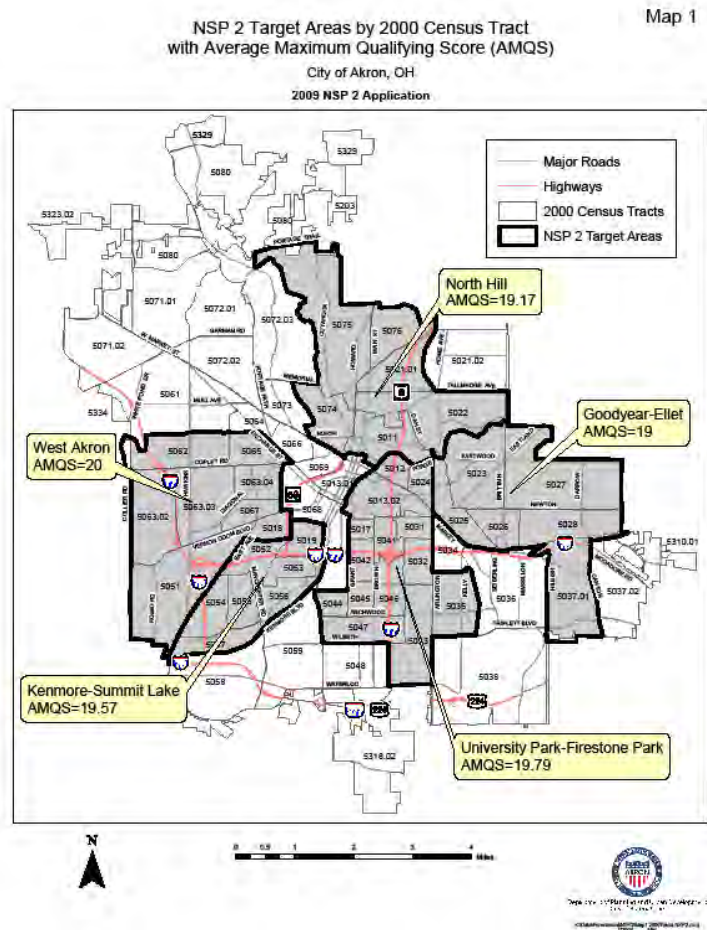
### **APPLICATION OVERVIEW**

The City of Akron has identified 53 census tracts that meet the LMMI area designation and have a high Foreclosure-Abandonment Risk Score indicating a pervasive problem in the City. The City plans to strategically target NSP-2 funds to a significant number of these high-risk census tracts in order to reverse the course of decline. In these communities, the City will utilize its existing relationship with a range of partner organizations including Akron Metropolitan Housing Authority and non-profit developers, to acquire, rehabilitate, and in some cases demolish foreclosed and vacant properties, which will generate significant neighborhood stabilization outcomes. To meet these objectives, the City of Akron is requesting an investment of \$42,068,667 from the Neighborhood Stabilization Program 2.

### **NARRATIVE STATEMENTS**

#### **FACTOR 1: NEED/EXTENT OF THE PROBLEM**

##### **Target Geography**



Akron has selected five neighborhoods, encompassing 41 census tracts, as the geography in which it will carry out the proposed NSP2 program. These conform to the target areas of the original NSP 1 program as the City will attempt to make a more significant impact in these at risk neighborhoods. These neighborhoods are North Hill, Goodyear / Ellet, Firestone / University Park, Kenmore / Summit Lake, and West Akron. As indicated on the map below, the average of the two neighborhood stabilization index scores ranged from 19.17 to 20, which demonstrates the significant need for neighborhood stabilization in the areas identified in Map 1.

Table 1 below identifies the specific census tracts where the City will pursue its NSP 2 activities, which HUD-provided data demonstrates as collectively having a sufficient score (19.55) to qualify for the program:

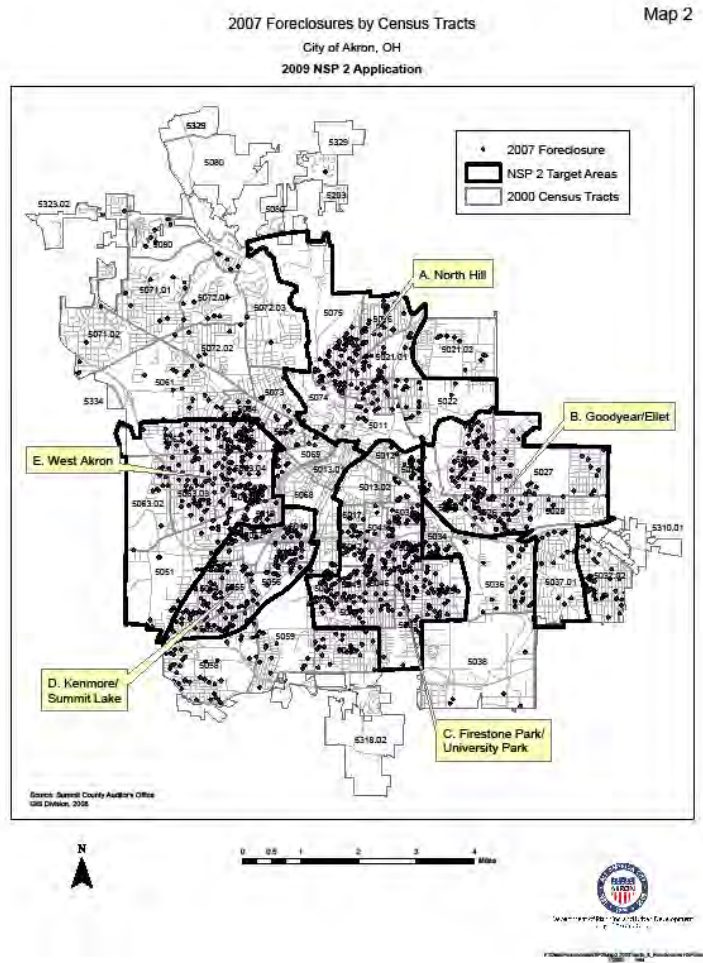
**Table 1: NSP 2 Census Tract Average Maximum Qualifying Score**

Census Tract	Fore-closure Score	Vacancy Score	Max Score	Census Tract	Fore-closure Score	Vacancy Score	Max Score
5011	18	17	18	5042	20	20	20
5012	20	20	20	5044	20	20	20
5013.02	18	20	20	5045	19	18	19
5017	19	20	20	5046	20	20	20
5018	20	20	20	5047	19	16	19
5019	19	18	19	5051	20	17	20
5023	19	18	19	5052	20	20	20
5024	20	20	20	5053	20	20	20
5025	20	20	20	5054	19	19	19
5026	19	19	19	5055	19	19	19
5027	20	17	20	5056	20	20	20
5028	18	17	18	5057	19	20	20
5031	20	20	20	5062	20	18	20
5032	20	20	20	5063.02	19	15	19
5033	19	17	19	5063.03	20	19	20
5034	20	20	20	5063.04	20	20	20
5035	20	18	20	5065	20	19	20
5036	18	14	18	5067	20	20	20
5037.01	18	15	18	5074	20	20	20
5041	20	20	20	5075	20	18	20

Below is a brief description of each neighborhood within the proposed target geography. The accompanying Map 2 and Map 2A highlights the concentration

of foreclosed properties in these areas in 2007 and 2008 based on Summit County, Ohio Clerk of Courts data.

The **North Hill** neighborhood is primarily a single-family residential community. The area has a slightly higher percentage of owner-occupied housing units than the City, and its housing stock is older than the rest of Akron. The dominant educational achievement level of North Hill residents is high school graduate with some college experience. These residents are slightly more likely than other Akronites to be in Production, Transportation, and Material Moving occupations.



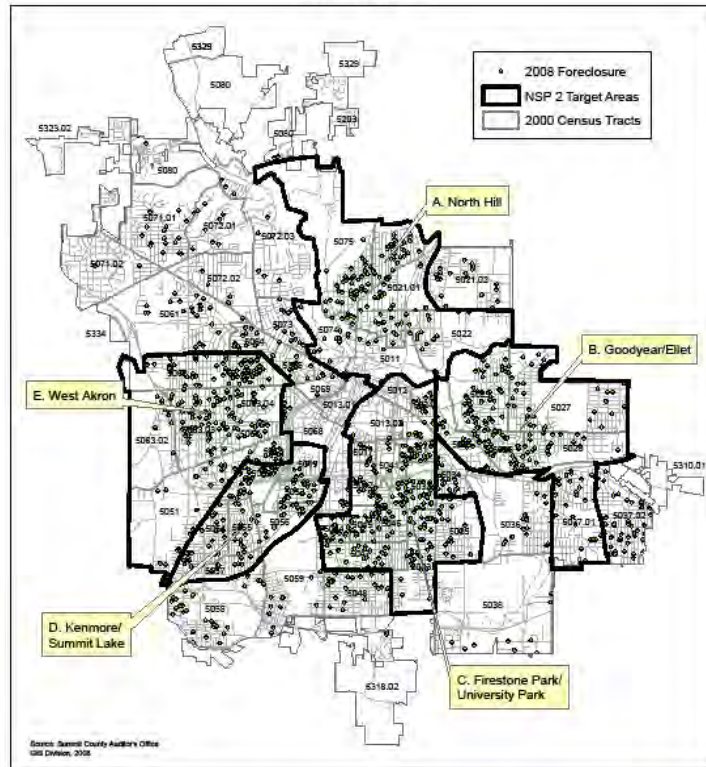
Situated at the far eastern edge of Akron, the **Goodyear Heights / Ellet** neighborhood joins a planned community built by the Goodyear Tire & Rubber founder to provide affordable housing for company workers within a 15-minute walk of the factory with an area that petitioned the City for annexation in 1929. The neighborhood includes substantial single-family housing, plus the Akron Municipal Airport and its industrial park. A majority of the neighborhood's housing stock is among the newest in Akron, and the home ownership rate is among the highest. Furthermore, the average household income in this area is slightly lower

than the average in the City, as is the percentage of persons in poverty. Goodyear/Ellet's dominant educational level is a high school diploma. The occupational profile is similar to Akron, with the dominant occupational group being Technical, Sales, and Office.

The **Firestone Park / University Park** neighborhood combines an historic landmark community designed and built for the Firestone Rubber Company's employees with the neighborhood surrounding the University of Akron campus. Two-thirds of the housing units in the Firestone section were built after 1940, and nearly three-fourths of those properties are owner-occupied. The areas south and east of the University remain working class, with a significant mix of student rental housing, and fewer than one in eight housing units are owner-occupied. University students seeking housing in close proximity to the campus drive the demand for rental units in this market. Moreover, while the average household income is moderately lower than the rest of the City as a whole, the number of persons in poverty is relatively high given the large number of college-aged students residing in this neighborhood.

2008 Foreclosures by Census Tracts  
City of Akron, OH  
2009 NSP 2 Application

Map 2a



Additionally, the educational profile is higher than that of the City, and residents are more likely to be in Technical, Sales, and Office or Service occupations than other Akronites.

The **Kenmore / Summit Lake** neighborhood developed as a new residential area at the turn of the last century, and was annexed to Akron in 1928. It lies southwest of Downtown, with easy access to major interstate highways. The land use is primarily single- family residential, mixed with light industrial, some retail corridors, and one large industrial area. The age profile of the neighborhood's housing stock is older than Akron housing as a whole. The percentage of owner-occupied housing is also higher than the rest of the City. The average household income in Kenmore / Summit Lake is similar to the City as a whole. Kenmore has lower percentages of persons with college and graduate school degrees than Akron. They are most likely to be in Technical, Sales, Service, Transportation and Material Moving occupations, and less likely to be in Management and Professional occupations.

In the **West Akron** neighborhood, the land use is primarily single-family residential, with a large commercial center and significant recreational facilities. West Akron's percentage of owner-occupied housing units is significantly higher than that of the city as a whole. The average household income in the area is 61% of City's average. Lastly, West Akronites have education levels and occupational profiles similar to the overall population of Akron. This area contains the Edgewood Village HOPE VI Project undergoing significant redevelopment by the Akron Metropolitan Housing Authority that is a major component of our intended redevelopment activity.

Table 2 provides a summary of demographic data for the neighborhoods where the targeted census tracts are located:

**Table 2: NSP 2 Target Area Demographics**

	<b>North Hill</b>	<b>Goodyear / Ellet</b>	<b>Firestone / University Park</b>	<b>Kenmore / Summit Lake</b>	<b>West Akron</b>	<b>City of Akron</b>
Total Population	16,272	38,688	23,165	23,909	19,622	217,088
% White	73%	88%	80%	80%	16%	67%
% African-American	23%	9%	11%	13%	80%	28%
# Of Households	6,646	16,297	9,304	9,382	7,578	89,923
Average Household Income	\$40,139	\$41,805	\$36,344	\$33,732	\$24,987	\$41,240
% Of Persons in Poverty	15%	10%	20.7%	18.8%	17%	17%

	North Hill	Goodyear / Ellet	Firestone / University Park	Kenmore / Summit Lake	West Akron	City of Akron
Total Housing Units	7,048	17,058	9,835	10,956	8,143	97,265
% Owner Occupied Units	59.5%	70%	50.4%	61.8%	62%	54.9%
% Built before 1940	53.3%	27%	36.3%	44%	30.4%	34.7%

There are several factors that have collectively contributed to the decline in the housing market in the proposed target geography. Specifically, the combination of increasing unemployment and the lack of availability of affordable mortgage loans has led to an increase in foreclosures in the NSP target geography, which has dampened housing values in this area. These factors are discussed separately below:

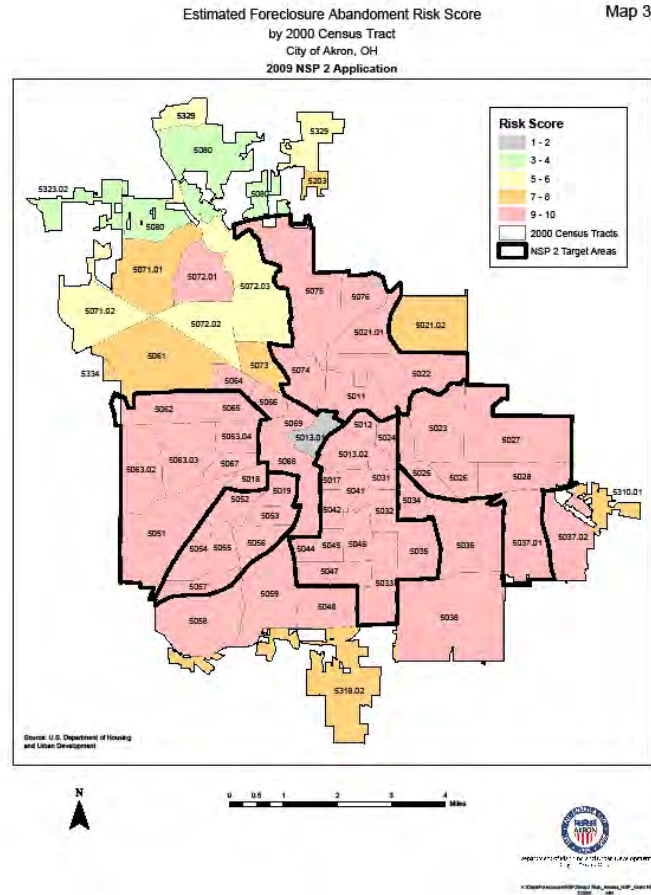
- **Concentration of REOs** -- The target area has a concentration of lender-owned foreclosed properties or REOs (real estate owned) properties. According to REALTYTRAC, there are 3,508 foreclosed properties in Akron as of July 12, 2009, of which 3,176 or 90% are located in the NSP-2 target area.
- **Declining property values** -- The over-valuation of housing in the peak of the market has had a major impact on the local real estate market, especially in the target areas. Moreover, the purchases of foreclosed homes and "short sales" caused the average and median sales price in Summit County to plunge compared with a year ago. The average sale price for a single family home in May 2009 in Summit County, where Akron is located, was \$108,889, with the median price \$80,500, according to figures from the Akron Area Board of Realtors. These figures are significantly lower than the \$151,035 (average) \$118,800 (median) reported for May 2008.

Table 3 below shows the average and median sale prices in the target areas over the last 3 years:

**Table 3: Akron Area Statistics for 2007, 2008 and 2009**

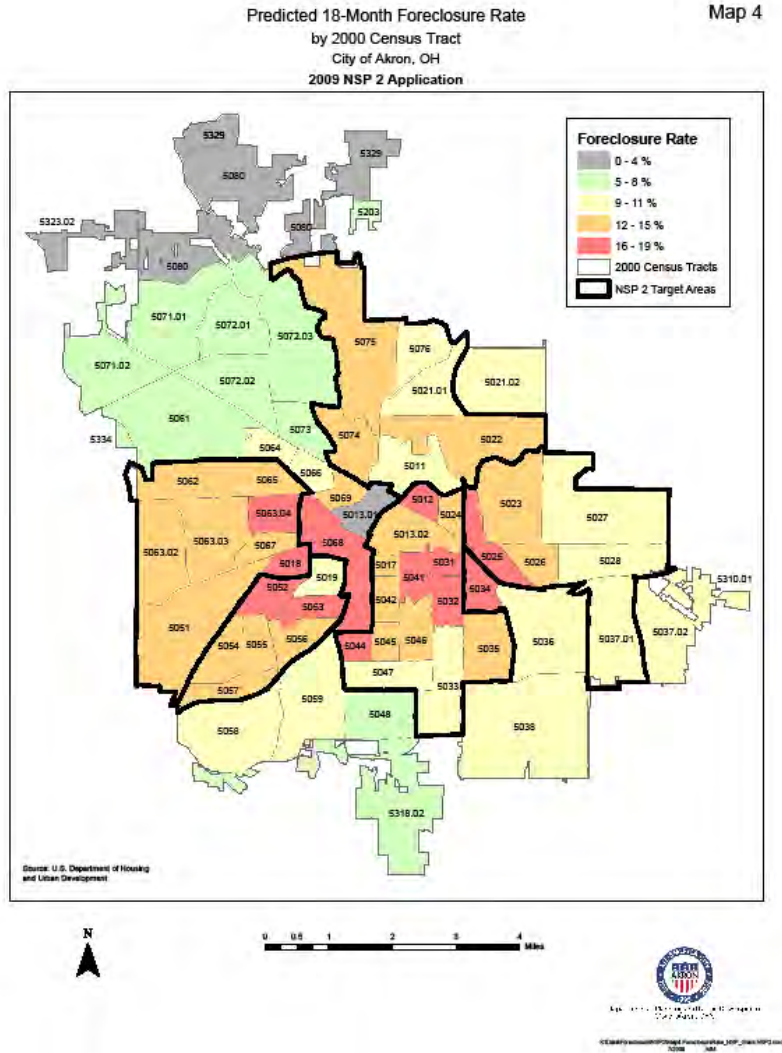
<b><u>Area/Year</u></b>	<b><u>Sold</u></b>	<b><u>Average Sold Price</u></b>	<b><u>Average Median Sold Price</u></b>	<b><u>Average (Days on Market)</u></b>
North Hill / 2007	258	\$52,584	\$46,750	99
North Hill / 2008	291	\$38,791	\$25,000	95
North Hill / 2009	137	\$30,986	\$21,900	98
Goodyear Heights / 2007	233	50,323	44,400	106
Goodyear Heights / 2008	256	39,431	28,500	101
Goodyear Heights / 2009	132	30,391	22,500	101
Ellet / 2007	247	91,680	89,900	84
Ellet / 2008	221	79,900	79,753	78
Ellet / 2009	118	72,926	70,050	83
Firestone Park / 2007	399	51,650	46,500	91
Firestone Park / 2008	408	41,847	26,100	90
Firestone Park / 2009	183	31,935	20,202	91
University / 2007	45	71,495	37,000	145
University / 2008	47	57,207	15,000	134
University / 2009	28	30,713	14,600	145
Kenmore / 2007	229	48,971	44,500	88
Kenmore / 2008	223	38,323	29,000	90
Kenmore / 2009	116	26,886	19,000	84
West Akron / 2007	671	115,983	111,900	112
West Akron / 2008	640	98,691	81,750	119
West Akron / 2009	350	75,801	56,713	125

Maps 3 and 4 illustrates that the target areas, based on HUD-provided data have high risk scores for abandonment and moderate to extreme foreclosure rates:



- **Lack of affordable credit for home purchases** – Based on Home Mortgage Disclosure Act data, the NSP target geography accounted for nearly 13% of the 7,229 home purchase mortgages made in Akron in 2007. However, within this target area, “high cost loans” accounted for at least 50% of the mortgages originated in 29 of the 41 census tracts.
- **Changes in employment patterns** – According to the US Bureau of Labor Statistics, the overall unemployment rate for the entire Akron MSA was 6.2% in 2008. The economy of the Akron area has been heavily dependent on manufacturing employment. Job losses within this sector, which began in 2001, have been a major factor in the economic instability of the area. Non-farm employment declined through 2009, reaching 9.8% as of May of this year. Yet, there are signs that manufacturing employment will improve. Specifically, from its former honor as the “Rubber Capital of the World,” Akron has moved forward into the world of

liquid crystal and polymer research, development, and technology. Additionally, employment gains are expected to come in the professional and business services and educational and health services sectors.



**Market Conditions and Demand Factors**

***Projection of Abandoned and Foreclosed Properties Absorption in Target Geography***

The Absorption Rate is determined by dividing the number of homes sold by the number of homes listed during a given period, as shown below:

$$\frac{\text{\# Of New Listings Year-to-Date}}{\text{\# Of Sales Closed for the Last 30 Days}}$$

Here are the active listings and reported sales statistics from the Akron Area Board of Realtors, as of May 2009:

<b># Of New Listings through 05/31/09 =</b>	3809	<b>Absorption Rate</b>
<b># Of Sales Closed in May 2009 =</b>	441	

Based on this Absorption Rate, Akron would be considered a "buyers' market"<sup>1</sup>. Namely, there is nearly nine months of inventory of non-foreclosed housing available. Under normal market conditions, it is estimated that the demand for sales housing would remain relatively constant at approximately 2,000 units annually, based on anticipated household growth.<sup>2</sup> This demand could have been met successfully through the construction of approximately 6,000 units of sales housing, which would have enabled the city to achieve and maintain a balanced demand-supply condition.

However, with the continuing challenges of home foreclosures and abandonment, coupled with the severe downturn in the area's economy, this housing demand forecast has changed for the City of Akron. Specifically, when the Absorption Rate is applied to the available foreclosed and vacant properties in the city, the additional months of inventory skyrockets, as shown below:

**Total Inventory of Abandoned and Foreclosed Homes**  
**Absorption Rate**

<b>Inventory of Abandoned Homes</b>	<b>Inventory of Foreclosed Homes</b>	<b>Absorption Rate</b>	<b>Total Months of Inventory</b>
5,947	3,176	8.64	1,055.9

***Impact of Over-building, Over-valuation, and Loss of Employment***

Both the over-valuation of the housing market and the loss of area employment had negative impacts on the housing market in the NSP target geography. First, the Akron-area median sale price for a single-family home was down 48% in the first quarter of 2009, to \$50,100, as compared with \$96,100 for the same three-month period in 2008, according to a recent study by the National Association of Realtors. Next, as stated above, the loss of employment opportunities in Akron is one of several factors that contributed to a decline in the housing market in the

<sup>1</sup> An Absorption Rate of 5 to 7 is considered a normal market. Less than 5 is a "sellers' market", and more than 7 is a "buyers' market".

<sup>2</sup> "Analysis of the Akron, Ohio Housing Market as of April 1, 2005", U.S. Department of Housing and Urban Development.

proposed target geography. However, the impact of over-building did not appear to be a significant factor. Since 2005, the pace of new for-sale housing development in Akron has slowed, as indicated by the decline in single-family housing permits issued over the past three years. Table 4 shows the building permit trend for single family permits from 2004 through the first half of 2009.

**Table 4: Akron, Ohio Single Family Building Permits**

Year	Single Family Permits
2004	288
2005	269
2006	198
2007	140
2008	82
2009	23

Source: State of the Cities Data Systems  
(<http://socds.huduser.org/permits/output.odb>)

### ***Income Characteristics / Housing Cost Burden by Households***

Household income characteristics and housing cost burdens are mixed in Akron's NSP target geography. On one hand, all of the 41 census tracts in the NSP target geography are middle and low to moderate-income eligible areas, according to 2000 US Census data. On the other hand, despite the high number of homeowners in Akron with "high cost mortgages", only 23% of the owners on average are experiencing a "housing cost burden" (households which pay more than 30% of their household incomes on housing costs) across the 41 census tracts in the NSP target geography, as compared to 37% nationally.

### ***Other Factors Contributing to Neighborhood Decline within the Target Geography***

According to the HUDUSER State of the Cities Data Systems, Akron, OH, population has had an estimated decline from 217,074 in 2000 to an estimated 210,795. The Akron Beacon Journal (June 2, 2009) identified that the crime rate in Akron has climbed for the third consecutive year, marking the largest increase among Ohio's eight largest cities. The economic downturn that the witness nationwide has also attributed to this factor.

### ***Expected Impact of Proposed NSP2 Activities on Stabilizing the Target Geography***

Akron's NSP 2 strategy focuses on reducing the number of foreclosed and abandoned homes through three approaches. First, the City plans to use the

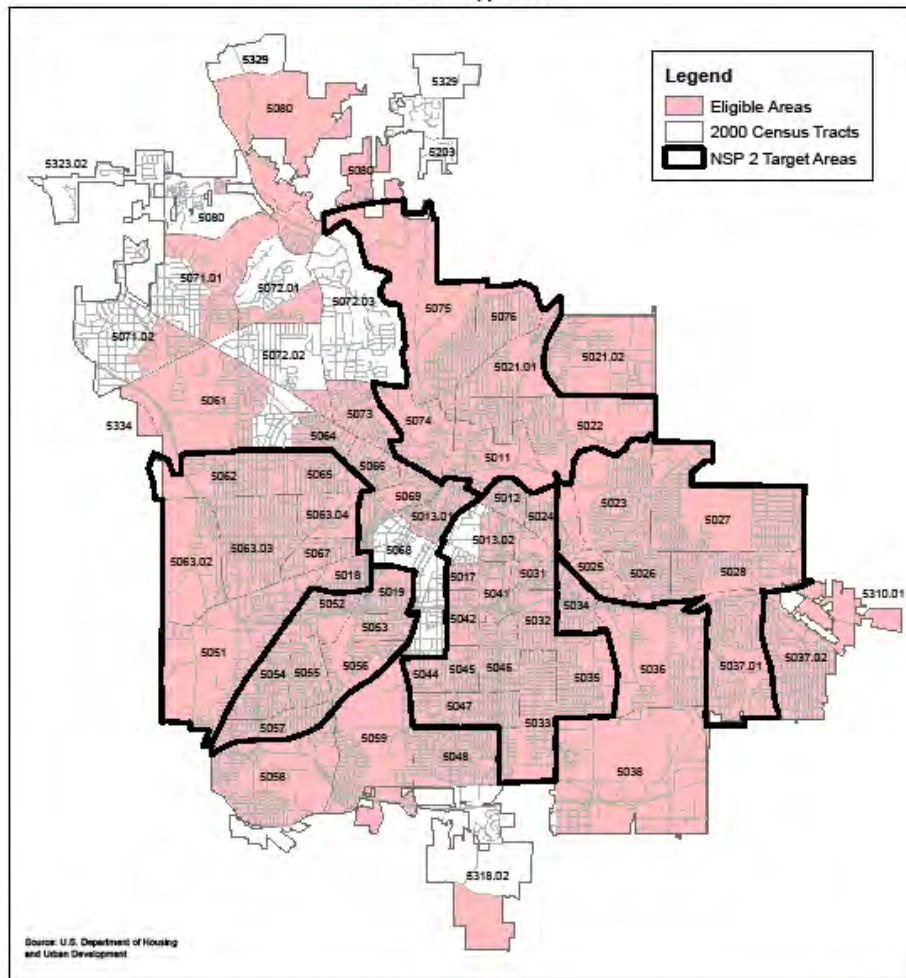
NSP 2 funds, along with other resources, to acquire, rehab, and re-sell (or make available for Lease-Purchase arrangements) 215 units of foreclosed and abandoned properties. Additionally, the City intends to reduce blighted conditions by acquiring and demolishing 305 units. Thirdly, the City intends to promote the return to productive use of foreclosed and abandoned houses by encouraging the purchase of these properties by would-be homebuyers and other private market participants.

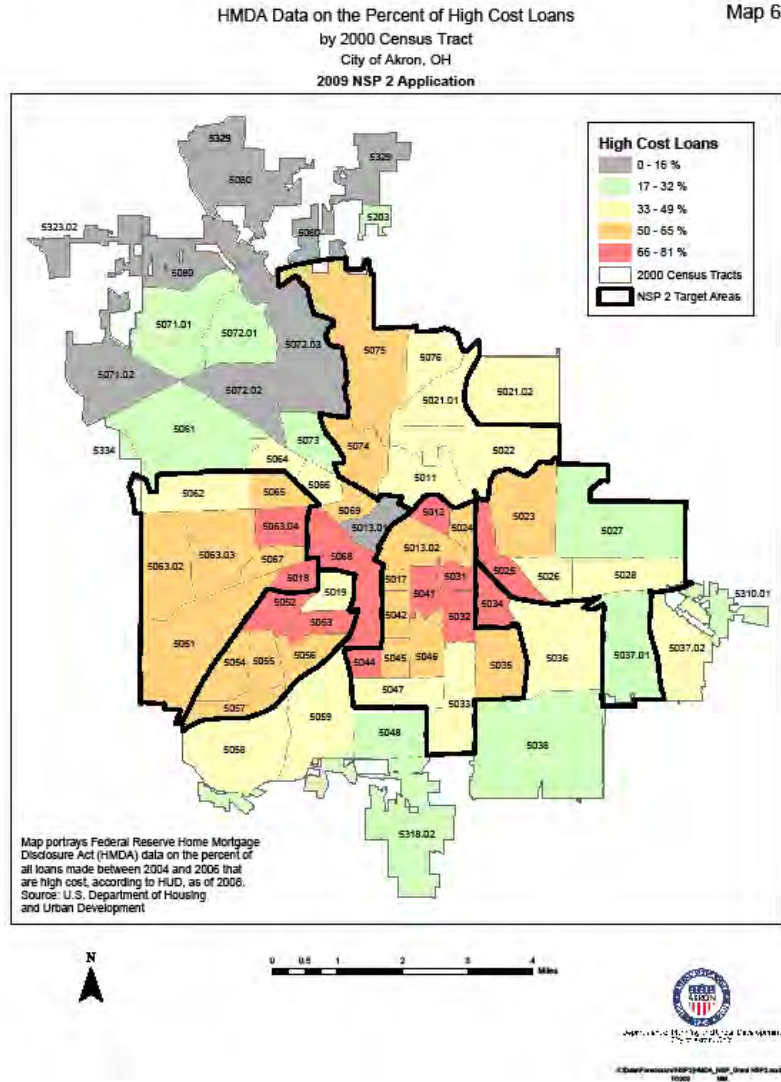
The proposed NSP 2 activities are a part of the City's overall housing program, which focuses on targeted acquisition in deteriorated areas to remove blighting conditions and create buildable lots for new housing construction, while expanding some of the rehabilitation programs to assist low and moderate income persons citywide. The City supports the rehabilitation of existing housing in specific areas, including the NSP target geographies, through several programs. The City also emphasizes rebuilding neighborhoods with pockets of new housing, rehabilitation assistance for properties that do not need to be removed, new streets, new curbs, new sidewalks and new street trees where necessary.

Maps 5 and 6 illustrate the City of Akron NSP Target Areas will meet the income eligible goals of the program and will impact areas of moderate to high- High Cost Loans, according to HUD- provided data.

Middle & Low to Moderate Income Eligible Areas  
by 2000 Census Tract Block Groups  
City of Akron, OH  
2009 NSP 2 Application

Map 5





**FACTOR 2: DEMONSTRATED CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATIONAL STAFF**

**Past Experience**

(1) City and Regional Planning – The City of Akron's Department of Planning and Urban Development (DPUD) has been the lead agency for the coordination, implementation management of city planning efforts in this jurisdiction. This process has involved coordinating activities among public and non-profit housing providers and private and public health and service agencies. The DPUD staff is HUD-certified in policy, procedures, and monitoring of federal housing programs, and have successfully met HUD-defined criteria for these programs in a responsible and prudent manner. An entitlement City since the beginning of the Community Development Block Grant Program, the City Staff has managed the full scope of housing and neighborhood development programs

eligible under this program. In 2002, the U.S. Department of Housing and Urban Development presented the City of Akron with an award of excellence, recognizing the city for "consistent and longstanding attention to providing local residents with the benefits of the Community Development Block Grant Program in a timely and high quality manner." The City has consistently been recognized by HUD for the timely expenditures of CDBG funds and the overall quality of its programs.

Additionally, the City participates in several regional planning organizations, whose members work collaboratively to address important economic and social issues on a countywide basis, including the foreclosure crisis. One organization is the Northeast Ohio Four County Regional Planning and Development Organization, which is a council of governments by the elected officials, who discuss regional problems and develop strategies to cope with them. Another organization is the Summit County Abandoned and Vacant Housing Task Force, whose members provide advice and leadership on urban, suburban and rural land use and development, while promoting greater engagement in maintaining local neighborhoods and reducing the number of abandoned properties. The City is also a member of the Summit County Foreclosure Prevention Partnership Program, which brings together government and private sector participants to provide prevention education and assistance to homeowners and future homeowners, who are or may be subject to predatory, deceptive, and fraudulent lending practices.

Lastly, the City and its adjacent townships were early architects of regionalism, regional strategies, and regional collaboration in Ohio. Specifically, the City and its neighbors created "Joint Economic Development Districts" or JEDDS in 1994, which are designated township areas where Akron has extended its water and sanitary sewer systems to provide opportunities for new business development immediately outside its corporation limits. The City uses these relationships as a way to partner with its township neighbors in encouraging planned suburban growth.

(2) Acquisition and disposition of foreclosed real estate – In fiscal years 2007 and 2008, the City acquired 50 vacant or blighted properties. Additionally, the City demolished 434 structures that were not feasible candidates for rehabilitation and represented a threat to health and safety. Moreover, through activities to be undertaken with its NSP 1 funding, the City will acquire 36 foreclosed properties, and demolish 120 vacant or blighted properties, over the next three years.

(3) Rehabilitation of housing – For the past two years, Akron's housing program has focused on targeted acquisition in deteriorated areas to remove blighting conditions and create buildable lots for new housing construction. The City also supported the rehabilitation of existing housing in specific areas, through exterior home improvement and minor home repair and lead abatement

programs, which targeted low and moderate-income households citywide. For fiscal years 2007 and 2008, the City rehabilitated a total of 257 homes, and provides assistance to 93 other homeowners for exterior home improvements and minor home repairs. These efforts have been combined with an emphasis on rebuilding neighborhoods with pockets of new housing, rehabilitation assistance for properties that do not need to be removed, new streets, new curbs, new sidewalks and new street trees, where necessary.

(4) Redevelopment of vacant property -- In the oldest parts of the city, the DPUD has supported the revitalization of existing neighborhoods by removing dilapidated housing, facilitating new housing construction, upgrading the public infrastructure, and rehabilitating the remaining existing housing. In these areas, new construction has occurred by for-profit and non-profit builders with the assistance of the City. For fiscal years 2007 and 2008, the City provided assistance to the East Akron Neighborhood Development Corporation for the construction of a 30-unit townhouse project. It also provided assistance for the construction of 494 rental and for-sale housing units in two HOPE VI projects. All of these efforts included the acquisition of vacant properties and the assemblage of land for new development.

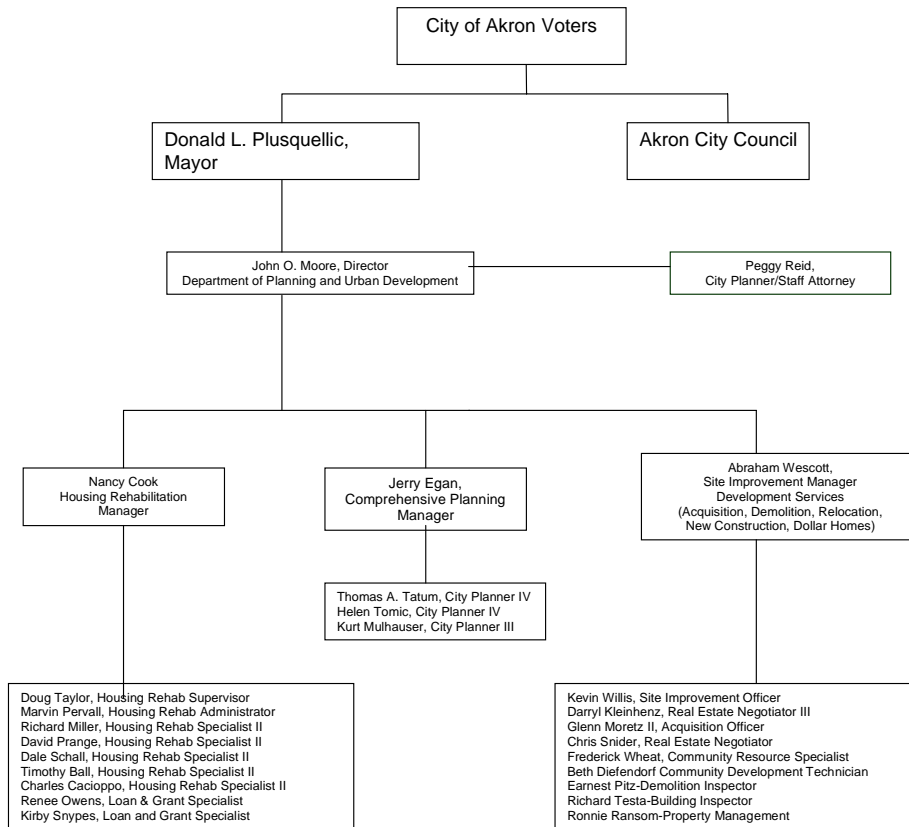
(5) Program marketing and management of waiting lists for potential residents – The City has on staff personnel trained to provide client intake for a variety of programs. For rehabilitation assistance, the Housing Rehabilitation Division has two former bank employees that act as Loan and Grant Specialists. They are able to provide application review and preparation of property owners applying for assistance. Additionally, several nonprofit organizations that will participate in the NSP 2 activities have considerable experience in marketing homes to and managing waiting lists of potential residents. These organizations include Akron Metropolitan Housing Authority, Alpha Phi Alpha Homes, East Akron Neighborhood Development Corporation, and Mustard Seed Development Center.

(6) Accessing operating and investment capital – The City has successfully obtained and managed federal operating and investment capital for its neighborhood revitalization efforts. Specifically, the City managed over \$11 million of CDBG resources in 2008. Additionally, the City received over \$8 million of NSP 1 funding in 2009. The City has also worked with local banks in Akron to leverage its resources for housing rehabilitation efforts. Specifically, the City has an agreement with FirstMerit Bank to provide capital for home improvement loans. These loans are subsidized by the City with an interest rate buy-down, which lowered the rate to homeowners to less than 6%.

(7) Working productively with other organizations -- The City has provided subsidies to 12 non-profit development corporations for the development of new housing or the acquisition, rehabilitation and sale of existing housing. Among this group are several organizations that will participate in the proposed NSP 2

activities, including Akron Metropolitan Housing Authority, Alpha Phi Alpha Homes, and Nazareth Development Corporation. Also, the City has established partnerships with several of the HUD-approved counseling agencies, including, East Akron Neighborhood Development Corporation, Fair Housing Contact Service, and Mustard Seed Development Center.

**Management Structure**



A summary of the qualifications of key staff members who will manage the NSP 2 activities on behalf of the City appears below:

**Gerald Egan**

**Education:**

Northwestern University, B.A.  
University of Akron, M.A. in Urban Studies

**Current Professional Memberships:**

American Planning Association  
Congress for the New Urbanism

**Work Experience:**

- 1998 – Present: Comprehensive Planning Manager, City of Akron; Manages office for Consolidated Plan program, urban renewal plans, land use plans, historic preservation, homeless, non-profit development corporations and GIS
- 1978 – 1998: City Planner, City Planner; Housing program development, renewal plans, land use plans, citizen participation

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**Nancy S. Cook****Education:**

Wittenberg University, B.A.  
University of Akron, M.A. in Urban Studies

**Relevant Certifications:**

Certified Home Specialist

**Current Professional Memberships:**

Vice President, Ohio Conference of Community Development

**Work Experience:**

- 2007 – Present: Housing Rehabilitation Manager, City of Akron; Manages staff, administrative grants, and HOME and CDBG contracts
- 1998 – 2007: Housing Administrator, City of Akron; Managed housing staff, grant administration, and HOME administration
- 1979 -- 1998: City Planner, City of Akron; Long range planning, grant writing; economic development
- 1977 -- 1979: Census Supervisor, Northeast Ohio Area-wide Coordinating Agency; Supervised computer file for census

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**Darryl Kleinhenz****Education:**

University of Akron, B.A.

**Relevant Certifications:**

Ohio Green Building Certificate

**Current Professional Memberships:**

The Home Builders Associations of Summit and Portage County

**Work Experience:**

- 2002 – Present: Real Estate Negotiator III, City of Akron; Negotiates acquisitions and dispositions of real estate assets
- 1996 -- 2002: Rehabilitation Specialist II, City of Akron; Inspect, contract, and oversee various projects to rehabilitate houses in designated areas
- 1994 – 1995: Field Technician, EDP Consultants Inc.; Responsible for testing concrete, and soils, reading blueprints, inspecting construction, and writing construction reports

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**Margaret K. Reid****Education:**

University of Akron, B.A., M.A., and J.D.

**Relevant Certifications:**

HOME Program Specialist

**Current Professional Memberships:**

Ohio State Bar Association

**Work Experience:**

- 1989 – Present: City Planner IV/ Attorney, City of Akron; Prepare or review legislation, contracts, etc., for Department of Planning and Urban Development
  - 1988 – 1989: Law Clerk for Housing Code Enforcement, City of Akron; Prepared briefs and assisted in prosecution of Housing Code violators
  - 1987 – 1988: Law Clerk, Judge Theodore Schneiderman, Akron
-

Municipal Court

**Thomas A. Tatum**

**Education:**

Clark Atlanta University, B.A.  
University of Akron, M.A. in Urban Studies

**Relevant Certifications:**

HOME Program Specialist

**Work Experience:**

- 1989 – Present: City Planner IV, City of Akron: Neighborhood-based planning initiatives related to Community Development Strategies; work involves CDBG and HOME funded activities as well as other non-federal initiatives
- 1988 – 1989: Graduate Assistant, University of Akron; Provide research and class preparation assistance to instructors in the Geography and Planning Department of the University

**Helen Tomic**

**Education:**

University of Akron, B.A., M.B.A.

**Work Experience:**

- 1993 to present: City Planner IV, City of Akron; Manages IDIS, and financial accounting for Continuum of Care, HOME and CDBG

**Abraham Wescott**

**Education:**

Virginia State University, B.S.  
University of Akron, M.A.

**Relevant Certifications:**

Relocation Assistance

**Work Experience:**

- 2008 – Present: Site Improvement Administrator / Relocation Officer, City of Akron; Plans, directs and manages staff in areas of acquisition, relocation, demolition, property management and new construction
- 1989 -- 1999: City Planner, City of Akron; Negotiated purchase or lease of land, work agreements, and temporary easements for construction projects; assisted in developing programs for utilization of land and physical facilities; and marketed municipally owned properties for sale

***References***

Listed below is the contact information for two organizations, which worked with the City on projects similar to the ones to be undertaken with the proposed NSP 2 strategy:

Thomas E. Gilbert  
Hope VI Director  
Akron Metropolitan Housing Authority

Thomas R. Fuller,  
Executive Director  
Alpha Phi Alpha Homes, Inc.

Phone: 330-376-7060  
Email: TGilbert@AkronHousing.Org

Phone: 330-376-8787 Ext. 302  
Email: [tfuller@alphahomes.org](mailto:tfuller@alphahomes.org)

### **FACTOR 3: SOUNDNESS OF APPROACH**

#### **Proposed Activities**

##### ***Overall Neighborhood Stabilization Program***

The overarching strategy is to protect and leverage the investment that the City and private property owners have made in our neighborhoods over the last thirty years through the City's Neighborhood Development Programs. The NSP eligible areas (state and amended federal) have a significant overlap with past program areas. Within the proposed target geography, the City will engage in acquisition, demolition or rehabilitation of foreclosed, abandoned and blighted property. If the property is determined to be economically or environmentally unfeasible to renovate, demolition will be the recommended treatment. If the vacant property yields developable land, new construction will be recommended. For-profit and non-profit developers with proven development track record will be invited to stabilize foreclosed, abandoned and vacant properties not targeted for demolition. Acquisition and relocation activities will be initiated upon the release of NSP funds. The City anticipates a limited amount of relocation, as the focus will be on vacant properties.

The core of the City's strategy is focused on getting REOs back into the hands of homeowners, nonprofits organizations and other developers, who will renovate these properties and operate them in a responsible manner. The City's direct experience in acquiring REO properties has shown us that there is a very active speculative industry growing in which investors are seeking to acquire REO properties to hold until the market improves. In areas of high-foreclosure concentrations, excessive speculative purchases will greatly prolong the cycle of disinvestment for years to come as speculators hold properties and make minimum investments, waiting for big profits when the market rebounds. It is the City's goal to prevent this long-term destabilization of neighborhood housing markets by aggressively competing in the REO market to ensure that a significant share of resold REOs go to purchasers who will invest in and stabilize their communities. This strategy will be implemented in several different ways, including direct acquisition and disposition of REOs by the City, funding the acquisition and/or rehabilitation of REO properties by non-profits and responsible for-profit owners, and by providing financial assistance directly to homebuyers to acquire and/or rehabilitate the properties. Through this strategy, it is the City's intention to stabilize high-foreclosure housing markets.

In the identified neighborhoods, the City has invested with partner organizations such as the Akron Public Schools, Akron Metropolitan Housing Authority and

non-profit developers. It is important that the NSP funds be concentrated in a limited number of neighborhoods to provide a sufficient scale of resources to reverse the course of decline. Moreover, the neighborhoods selected contain established assets such as major development reinvestment and new or planned construction of Community Learning Centers. The Akron Community Learning Centers is an aggressive, 15- year plan to remodel or rebuild most of the educational buildings of the Akron Public Schools and transform the buildings into community learning centers. .

Furthermore, within the larger areas of the identified target geography, the City will give priority (i.e. 75% of federal and state program funds) to properties that are:

- Within a 5-block radius of a community learning center that is built, under construction or will begin construction by the end of 2010.
- Part of the residential portion of the Bio-Medical Corridor, Goodyear or Bridgestone Redevelopment projects.
- Within a half-mile radius of the Ohio and Erie Canal Towpath.
- Borders a public park, a lake or a river.
- Enables the expansion or improvement of Neighborhood Business Districts (demolition activity only).

Properties recommended for purchase must be presented to the established NSP Acquisition Committee. Composed of managers from DPUD, this committee scrutinizes properties for cost and reasonableness related to best interest of neighborhood and/or city objectives. A member of the Akron Health Department serves as an advisor to this committee. The NSP Acquisition Committee will select housing for acquisition, rehabilitation and resale based on the following criteria:

- The property is on a block where most of the housing is of good quality and well maintained.
- The house repairs can be accomplished for less than \$60,000.
- That level of repair will yield an attractive, energy efficient, structurally and systemically sound structure, with visitable features.
- The sale price of the house can cover the acquisition price and most of the rehabilitation cost within the current market of the neighborhood.

A key component of the City's Neighborhood Stabilization Program will be working with Neighborhood Development Services, Inc. (NDS) to acquire REO properties from servicers. NDS is a full-service, value added nonprofit organization, offering homeownership preservation and promotion services, housing development, economic development, foreclosure prevention, and construction management to communities and other non-profits in Northeast Ohio for over 20 years. It is especially experienced in the acquisition, rehabilitation and resale of substandard housing and has produced hundreds of units over the life of the agency. Specifically, NDS produced 285 units of

affordable housing during the 2007 and 2008 calendar years. These units represent over \$29,000,000 of investment in its client communities, and involved acquisition-rehab-resale, private owner rehabilitation, home repair, multi-family rehabilitation, and single-family new construction. In addition, NDS provided homebuyer education and financial fitness training to 442 customers, and assisted 152 homeowners with Foreclosure Prevention Rescue loans totaling \$458,246.

In regards to the City's proposed NSP 2 activities, NDS is also the Northeast Ohio agent for the National Community Stabilization Trust (NCST). NCST is a cooperative created by NeighborWorks America, Enterprise, HPN and LISC to coordinate REO disposition for large commercial banks representing 80% of the REO properties in the service area. As the Northeast Ohio agent for the Trust, NDS is well positioned to access and acquire a large number of foreclosed properties within the City of Akron. NDS' experience and expertise will allow the quick and efficient acquisition of targeted units within the City for demolition, rehabilitation and resale/lease, or transferring to the City or other designated agencies.

In working with NDS, the NSP Acquisition Committee will select housing for acquisition, demolition or potential development if:

- An individual foreclosed-upon home or residential property can be purchased at a discount of at least 1% from the current market-appraised value of the home or property, consistent with NSP regulatory requirements.
- During the three-year expenditure period, the average purchase discount for all properties purchased with NSP funds in a bulk acquisition can be made at a discount of at least 5%.
- The property is on a block where most of the housing is of good quality and well maintained.
- The house repairs cannot be accomplished for less than \$60,000.
- Its blighted condition significantly detracts from the surrounding quality housing.
- It is situated on a lot that is suitable for housing redevelopment or adjacent to a vacant lot that can be acquired for that purpose.
- It is part of a group of houses that can be acquired and demolished so as to provide an opportunity for a significant scale of redevelopment.

The NSP Acquisition Committee will select vacant lots for acquisition and redevelopment if:

- The property is on a block where most of the housing is of good quality and well maintained.
- The lot is of suitable size for housing redevelopment or adjacent to a vacant lot that can be acquired for that purpose.

Lastly, the City will demolish abandoned or blighted structures within the eligible areas without acquisition if:

- The Akron Health Department Housing Appeals Board has condemned the houses.
- If the property is blighted, then the City must receive a signed demolition waiver from the existing.

After acquiring the abandoned and foreclosed properties, the City will undertake the rehabilitation of many of these structures on its own. It will sell the properties in partnership with the Akron Board of Realtors and the Akron Realist Association. The City will identify potential buyers through homebuyer education programs offered by HUD-certified nonprofit counseling organizations.

Additionally, the City will partner with local nonprofit development organizations to rehab and sell the abandoned and foreclosed housing to qualified homebuyers. These organizations have sufficient capacity to successfully complete these tasks, and have worked with the City in the past on similar projects. A brief description of these nonprofit organizations is provided below:

**Akron Metropolitan Housing Authority** - The Akron Metropolitan Housing Authority partnered with the City of Akron to revitalize Edgewood Village public housing neighborhoods by demolishing dilapidated 116 apartment units and replace them with affordable homeownership and rental units for mixed-income residents. In an effort to supporting the comprehensive neighborhood revitalization, the City of Akron designed the neighborhood for urban redevelopment area to increase the impact of the federal grants and private investments in the neighborhood. AMHA is currently working diligently to prepare development proposal and equity and gap financing for the last phase of the project call Edgewood Village 5 which is a mixed-use development. The plan calls for the new construction of 48 units of senior housing located on Vernon Odom Boulevard between Raymond Street and Edgewood Blvd. The four story elevator building will have a rental office and community space for the senior apartments above. Combined with the City of Akron's neighborhood stabilization efforts, the Edgewood Village revitalization project will help attract other public and private leverage funds to support the city-wide and the Edgewood neighborhood's NSP 2 Program.

**Alpha Phi Alpha Homes, Inc.** – Alpha Homes is a non-profit housing & development management corporation, formed in 1966 to develop and manage affordable housing for low and moderate-income families and the elderly.

Over the past five years, this organization has created more than 500 units of affordable housing, through new construction.

**East Akron Neighborhood Development Corporation** – EANDC was formed in 1982 to improve housing conditions in East Akron. Among its accomplishments are the creation of over 500 units of affordable housing and the weatherization of more than 1800 homes. Additionally, facing a rising number of conventional and sub-prime foreclosures, EANDC, a HUD-certified homebuyer education provider, organized the Center for Homeownership to help preserve homeownership by providing foreclosure prevention services to existing homeowners. These services include homeowner counseling and loan modification assistance.

**Habitat for Humanity of Summit County** – Habitat works in partnership with families to assist them in building and/or renovating a home for homeownership. Since 1986, Habitat has built and/or renovated 145 homes in Summit County. Its mission is to provide simple, decent and affordable homes to families whose household income is 30% to 80% of the area median, and who have a debt-to-income ratio of 39% or less each month. In the various communities, Habitat's efforts provide incentives to other homeowners to improve their homes, as well. As a result, Habitat assists in raising the overall property values in neighborhoods. Habitat is a perfect fit for the NSP program priorities in working with families who are at or below 50% of the Area Median Income, particularly through its zero interest mortgage product.

**Nazareth Housing Development Corporation** -- Nazareth Housing Development Corporation provides home ownership opportunities for qualified low to moderate income, first time homebuyers. Nazareth facilitates HUD-approved homebuyer education with its non-profit partner agencies, then builds or rehabilitates appropriate affordable homes. It utilizes grant and private funds for buyer subsidies and utilize reputable local lenders for client end loans. Nazareth's services will be beneficial to NSP2 clients because it focuses on home ownership. It also has strong relationships with local lenders, contractors, churches and other service agencies.

**West Akron Neighborhood Development Corporation (WENDCO)** -- The mission of WENDCO is to provide a comprehensive array of services and programs, in the areas of housing and economic development, in order to holistically impact and improve the West Akron community. Its goal is to revitalize neighborhoods by creating replicable models of community development using a multi-prong approach that includes:

- Housing & Economic Development
- Commercial Corridor Expansion & Job Creation
- Education & Job/Career Training
- Cleaning/Greening & Safety

**NID HCA And Pride Through Empowerment Foundation, Inc. (PTEF)**

PTEF and Akron NID HCA has extensive experience in working with “Emerging Markets”, which is defined as i.e. minorities, families with modest means, new Americans, under-served individuals and families, consumers with credit problems and complicated financial histories. For the past six (6) years, the organizations have developed programs and implemented curriculums to aid in educating consumers on building assets. NID HCA is a HUD-certified homebuyer education provider.

***Uses of Funds***

Table 5 below presents a summary of the total resources that the City of Akron has or plans to assemble for the proposed NSP-1 and NSP-2 activities:

**Table 5: Use of Funds**

<b>PROGRAM / (RESPONSIBLE ENTITY)</b>	<b>CITY NSP -1</b>	<b>STATE NSP - 1</b>	<b>PROPOSED NSP - 2</b>	<b>PRIVATE CAPITAL</b>	<b>TOTAL</b>
REO Acquisition / (2)	\$2,000,000	\$1,100,000	\$4,305,000	\$1,000,000	\$8,405,000
REO Renovations / (3)	1,500,000	805,000	6,000,000	4,000,000	12,305,000
REO Demolitions / (2)	180,000	80,000	230,000		490,000
Other Demolitions / (2)	1,000,000	552,000	3,000,000		4,552,000
Rental Development / (4)	2,145,873		10,517,167		12,663,000
Redevelopment / (2)	500,000	175,000	11,100,000		11,775,000
Lease – Purchase / (2)			1,840,000		1,840,000
Financial Assistance / (2,3)	300,000	131,550	1,500,000		1,931,550
Property Management / (2)			350,000		350,000
Marketing / (1)			300,000		300,000
Relocation / (2)	100,000				100,000
Project Delivery Costs / (1)			1,426,500		1,426,500
Administration / (1)	857,619	120,000	1,500,000		2,477,619
<b>Total</b>	<b>\$8,583,492</b>	<b>\$2,988,550</b>	<b>\$42,068,667</b>	<b>\$5,000,000</b>	<b>\$58,615,709</b>

(1) DPUD

(2) Development Division of DPUD

(3) Housing Rehabilitation Division of DPUD

(4) Partnership with for-profit and/or nonprofit developers, to be managed by DPUD

***Terms of Assistance***

**REO Acquisition** – These resources will be used to acquire REO properties and other abandoned and vacant properties. An individual foreclosed-upon home or residential property will be purchased at a discount of at least 1%, or at least 5%

for bulk acquisitions, from the current market-appraised value of the home or property, consistent with NSP regulatory requirements. The City will invest these resources as equity, which it will leverage with private capital.

**REO Rehabilitation** – These resources will be used to renovate REO properties and other abandoned and vacant properties. The City will invest these resources as equity, which it will leverage with private capital.

**Rental Development** – These resources will be used to develop permanent affordable housing for persons who have been displaced by foreclosures, and provide a viable housing option that will enable these residents to remain in the neighborhood. The City will invest these resources as equity.

**Redevelopment** – These resources will be used for the construction of new affordable single-family houses, which will be sold to low, moderate and middle-income persons with household incomes of 120% or less of area median income as defined in the NSP Notice. The City will invest these resources as equity.

**Lease Purchase** – These resources will be used to maintain and operate acquired and renovated REO properties that are not sold to qualified homebuyers within a reasonable time. The City will invest these resources as equity.

**Financial Assistance** -- In the event properties purchased, constructed or rehabilitated through NSP do not sell within the projected time period, the City may provide an incentive to qualified homebuyers to initiate the sale. Within the target geography, the City of Akron would provide three separate financing options that utilize NSP funds for the purchase of single-family, owner-occupied homes. For each option, a minimum of three percent (3%) down payment would be required from the homebuyer. Any change in occupancy or title of the property would trigger the repayment provisions in the options listed below:

- **First Mortgage Assistance** -- The City will provide a qualified homebuyer first mortgage assistance for the purchase of a single-family structure. The City will invest up to \$75,000 in the acquisition and rehabilitation costs of these properties, selling these houses at a discount. The mortgage rate will be determined by the current prime rate plus a half (1/2) per cent.
- **Second Mortgage Assistance** -- The City will provide a soft second mortgage for qualified homebuyers. The maximum amount provided will be \$25,000 at 0% interest; one hundred percent (100%) of this loan is forgiven after ten (10) years of occupancy. Loan forgiveness begins with year 6 of the term, and is forgiven at a rate of 20% per year of the loan.
- **Shared Equity Assistance** -- The City will provide a soft second mortgage not to exceed ten thousand dollars (\$10,000.00) as shared

equity towards the purchase of a property in order to ensure a potential buyer is not investing more than thirty percent (30%) of income for all purchase costs. When the property is sold or transferred, the City will receive a portion of the net increase (sale price minus mortgage and associated costs) in proportion to the ratio of the shared equity payment to the purchase price.

### ***Other Committed Funds***

The City of Akron has assembled a loan pool with two financial institutions, which will provide \$5 million for the acquisition and rehab of foreclosed and abandoned properties under the proposed NSP 2 activities. Commitment letters are provided as appendices to this document. A description of the lenders and their credit commitments appears below:

**Ohio Capital Finance Corporation (OCFC)** – This certified Community Development Financial Institution (CDFI) has provided over \$1.5 billion in private capital for affordable housing, and has a 20-year relationship with the City of Akron and the nonprofit development organizations here. OCFC has agreed to provide up to \$3 million in capital for nonprofit developers partnering with the City, to acquire and rehabilitate properties identified in the NSP 2 activities. This loan will have a three-year term, and carry an interest rate of Prime minus 0.5%.

**National City / PNC Bank** – This financial institution has agreed to provide a credit facility of up to \$2 million for construction financing related to properties acquired through the City's NSP 2 activities. The loan-to-value for this credit facility is 80%, and the loan would be secured with first mortgages on the properties acquired.

**Akron Metropolitan Housing Authority** – AMHA has been recognized for its achievement in providing decent and safe housing to residents of Akron and Summit County. Through its Edgewood HOPE VI initiative, AMHA will leverage funds totaling \$1,824,166 from the Ohio Housing Finance Agency and other costs to bolster the City's NSP 2 initiative. The Edgewood Neighborhood will be a cornerstone development in a comprehensive revitalization program.

### ***Demolition and Preservation***

Currently, the City of Akron operates a demolition program, which demolishes properties owned by individuals in addition to the properties it owns. In addition, the program is used to raze nuisance and blighted properties, which are titled to individual owners. The City utilizes the provisions of the Ohio Revised Code and the Akron Health Department Environmental Health Housing Code to determine if a property is blighted. The ORC Section 1.08 defines the characteristics that qualify a property as blighted. The City of Akron Health Department administers the Housing Code through the identification of building and site violations and the

enforcement of Orders to Comply. For the NSP program, the City will consider as blighted any structure identified by the Housing Appeals Board or after assessment by Housing Rehabilitation Specialists.

A land bank will be established to assemble, temporarily manage or dispose of vacant land and abandoned property with structures in areas of greatest need for the purpose of stabilizing neighborhoods and encourage reuse or redevelopment of urban property. In no case will the city hold the property beyond ten (10) years unless it is committed to eligible NSP use, per the regulations.

### **Project Completion Schedule**

Table 6 highlights the planned expenditures, on a quarterly basis, of federal resources for NSP-related activities. The NSP-2 resources requested in this application will enable the City of Akron to significantly expand the scale of its NSP-1 funded programs to address a much larger number of foreclosed properties within its NSP target area. The City is required to have all of its NSP-1 funds obligated to specific projects in 18 months (by September 9th of 2010) and to have all of the funds fully expended by March 9th of 2013. The timeline for using and expending NSP-2 funds is more aggressive than NSP-1. Grantees are required to expend 50% of the awarded funds within 24 months of award and to expend all of the funds within 36 months. Depending on how quickly HUD awards the NSP funds (estimated to be no later than 1/1/2010), it is possible that NSP-2 funds will be required to be spent before the NSP-1 funds. The Edgewood Village development is underway and is expected to be completed by September of 2011.

**Table 6: NSP 2 Planned Expenditures and Completion Schedule**

	<b>NSP-1</b>	<b>NSP-1 Ohio</b>	<b>NSP-2</b>	<b>Total</b>	<b>Total</b>
<b>Q2/2009</b>	\$0	\$0	X	\$0	\$0
<b>Q3/2009</b>	\$210,000	\$254,500	X	\$464,500	\$464,500
<b>Q4/2009</b>	\$297,619	\$284,500	X	\$582,119	\$1,046,619
<b>Q1/2010</b>	\$1,105,000	\$420,750	\$1,815,000	\$3,340,750	\$4,387,369
<b>Q2/2010</b>	\$1,155,000	\$310,750	\$2,985,000	\$4,450,750	\$8,838,119
<b>Q3/2010</b>	\$1,190,000	\$320,750	\$3,479,000	\$4,989,750	\$13,827,869
<b>Q4/2010</b>	\$1,195,873	\$310,750	\$4,430,000	\$5,936,623	\$19,764,492
<b>Q1/2011</b>	\$580,000	\$308,250	\$5,055,000	\$5,943,250	\$25,707,742

<b>Q2/2011</b>	\$580,000	\$248,250	\$5,055,000	\$5,883,250	\$31,590,992
<b>Q3/2011</b>	\$580,000	\$249,800	\$4,105,000	\$4,934,800	\$36,525,792
<b>Q4/2011</b>	\$555,000	\$228,250	\$3,855,000	\$4,638,250	\$41,164,042
<b>Q1/2012</b>	\$360,000	\$52,000	\$3,385,000	\$3,797,000	\$44,961,042
<b>Q2/2012</b>	\$305,000	\$0	\$3,150,000	\$3,455,000	\$48,416,042
<b>Q3/2012</b>	\$255,000	\$0	\$2,417,167	\$2,672,167	\$51,088,209
<b>Q4/2012</b>	\$130,000	\$0	\$1,685,000	\$1,815,000	\$52,903,209
<b>Q1/2013</b>	\$85,000	\$0	\$652,500	\$737,500	\$53,640,709
<b>Total \$</b>	<b>\$8,583,492</b>	<b>\$2,988,550</b>	<b>\$42,068,667</b>	<b>\$53,640,709</b>	

**Income Targeting for 120% and 50% of Area Median Income**

All NSP 2 funds received by the City will be used to benefit households with incomes at or below 120% AMI. The proposed homeownership and demolition activities will account for 75% of the NSP 2 funds. The City will set aside 25% of the NSP 2 funding to provide housing for citizens at or below 50% of the area median income. These housing units will be developed by nonprofit and for-profit entities. Funding eligibility is open to neighborhood community based organizations, for profit agencies and homeless providers located in and/or provide services within the low-income neighborhoods of the City. Applicants must have documented experience in housing development, use of federal funds and adhering to federal monitoring and reporting. Applicants must be in good financial standing and must have the appropriate organizational capabilities to receive and administer public funds. Applicants must have sufficient cash on hand and/or lines of credit to perform in an effective and timely manner. All work must be completed within three (3) years of commitment.

**Continued Affordability**

The requested \$42 million in NSP funds will enable the to City to ensure that at least 215 REO properties will be acquired from foreclosing lenders, rehabilitated if needed, and returned to productive use as owner-occupied homeownership housing or affordable rental housing. The funds will also enable the City to acquire an estimated 305 blighted and abandoned structures that will be demolished, with the cleared properties held and maintained pending disposition to a responsible developer. Table 7 summarized the program provisions that will ensure continued affordability of the housing units developed with NSP 2 funding:

**Table 7: Continued Affordability**

<b>PROGRAM</b>	<b>INCOME TARGETING</b>	<b>CONTINUED AFFORDABILITY PROVISIONS</b>	<b>NUMBER OF PROPERTIES</b>
Akron NSP -- Acquisition / Renovation Program	All properties acquired and maintained with NSP funds will be sold to households at or below 120% AMI	5 to 10 years with 100% recapture if sold within the first five years	100
Akron NSP -- Rental Unit Development Program	For any NSP-funded rental activity, "affordable rents" shall be defined as 30% of the household's adjusted income, less utility allowances as adopted by the Akron Metropolitan Housing Authority for the Section 8 program, as appropriate. HUD's Fair Market Rent schedule for the Akron MSA will be used.	Each developer will enter into an Affordable Housing Restriction with a term of 30 years with an ability to extend at the sole discretion of the City for an additional 20 years. The Restriction will allow the transfer of the property within the first 5 years to a moderate-income owner occupant who would be required to enter into a Covenant restricting resale to future income eligible owner occupants. Any proceeds of the initial transaction would be shared between the developer and DND.	73
Akron NSP -- Redevelopment Program	All properties developed with NSP funds will be sold to households at or below 120% AMI	5 to 10 years with 100% recapture if sold within the first five years	50
Akron NSP -- Lease / Purchase Program	All properties acquired and developed with NSP funds will be sold to households at or below 120% AMI	5 to 10 years with 100% recapture if sold within the first five years	60
Akron NSP -- First Mortgage Assistance	All mortgages capitalized with NSP funds will be made to borrowers at or below 120% AMI	Forgiven after 5 years, with 100% recapture if sold within the first five years	50
Akron NSP -- Second Mortgage Assistance	All mortgages capitalized with NSP funds will be made to borrowers at or below 120% AMI	Forgiven after 5 years, with 100% recapture if sold within the first five years	50
Akron NSP -- Shared Equity Assistance	All mortgages capitalized with NSP funds will be made to borrowers at or below 120% AMI	Forgiven after 5 years, with 100% recapture if sold within the first five years	50

### **Consultation, Outreach, and Communications**

As a recipient of NSP 1 resources from the State of Ohio, the City has established an ongoing, consultative relationship with this partner, in executing NSP activities. Additionally, through its participation in regional planning organizations, the City will have access to the NSP strategies employed by neighboring jurisdiction. This information will be valuable in helping the City evaluate the effectiveness of its own efforts.

Furthermore, the City has established a relationship with non-profit and for-profit organizations that work with potential clients seeking home ownership opportunities, which will be an important conduit for the distribution of the Financial Assistance products. Also, the City has relationships with area banks, the Akron Board of Realtors and the Homebuilders Association, who may benefit from the City's Financial Assistance activity. The City will also utilize a number of different outlets, such as the media and water department mailers, if the need arises.

### **Performance and Monitoring**

The monitoring of the NSP 2 activities will be conducted within the protocols and procedures already established to review the production of housing program and community development projects that it undertakes. This process involves not only direct communications from field staff through management, but also the completion of monthly progress reports. As a result, the City does not anticipate any significant obstacles to including the NSP 2 activities into this reporting process. Moreover, as a recipient of federal CDBG, HOME and ESGP funds, the City prepares a Consolidated Annual Performance and Evaluation Report (CAPERS). Along with the IDIS system, this reporting process will enable the City to monitor the expenditure of NSP 2 funds, and report on the outcomes. Lastly, since the CAPERS document are made available for public review, the proposed monitoring strategy for the NSP 2 activities will ensure citizen participation.

## **FACTOR 4: LEVERAGING OTHER FUNDS / REMOVAL OF SUBSTANTIAL NEGATIVE EFFECTS**

### **Leverage**

The City has obtained commitments totaling \$5 million from Ohio Capital Finance Corporation and National City / PNC Bank, which it will use to leverage the NSP 2 resources requested in this application. There is also leverage provided by the Akron Metropolitan Housing Authority. The leverage ratio achieved from these resources will be as follows:

AMHA Edgewood- Ohio Housing Finance Agency HDAP Funds	\$492,000	Leverage Ratio = 16.2%
AMHA Edgewood-Deferred Cost and Fees	\$1,332,166	
OCFC / PNC Commitments =	\$5,000,000	
NSP 2 Resources Requested =	\$42,068,667	

**Value of Destabilizing Influences**

Target Geography Total Units	Vacant Properties Addressed Via Acquisition and Rehab	Vacant Properties Addressed Via Demolition	Total Number of All Vacant Properties in Target Area (Including Vacant Properties Not Addressed by Either Demolition or Acquisition and Rehab)
51,057	215 (120 regular + 80 "25/50" + 15 Dollar Homes program)	305 (300 regular + 5 Dollar Homes program)	5,947

$\frac{(215 + 305) \times 1.5}{5,947}$	= 0.131
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Therefore, the City of Akron calculates a value of 13.1% for destabilizing influences.

**FACTOR 5: ENERGY EFFICIENCY IMPROVEMENT AND SUSTAINABLE DEVELOPMENT FACTORS**

**Transit Accessibility**

The proposed target geography is serviced by the City of Akron's Metro Transit system. These areas are currently accessible by public bus transportation, which

provides convenient, scheduled service within an acceptable (every twenty minutes) time period during rush hour. As indicated in the chart below, this bus service is available to all of the proposed target geography, with access to the downtown business district, which is one of Akron's major employment centers:

***North Hill***

<b>#7 Cuyahoga Falls Ave</b>	<b>With Service to:</b> Plaza at Chapel Hill, Summa St. Thomas Hospital, Chapel Hill Mall and limited service to Waterworks Park, Studio City, Quaker Square, John S. Knight Center and Tallmadge Circle.
<b>#10 Howard/Portage Trail</b>	<b>With Service to:</b> Cuyahoga Falls General Hospital, State Rd Shopping Center, Elder Day Care and Respite Center, Chapel Hill Mall, Lauer Apartments and Portage Tower Apartments.
<b>#33 State/Wyoga Lake</b>	<b>With Service to:</b> Summa-St. Thomas Hospital, Cuyahoga Falls General Hospital, State Rd Shopping, GOJO Industries and Alsides.
<b>#34 Cascade Valley/Uhler</b>	<b>With Service to:</b> Chapel Hill Mall, The Plaza at Chapel Hill, Jennings Middle School, Lauer Apartments, Valley View Apartments and North High School.

***Goodyear Heights/Ellet***

<b>#5 East Market/Ellet</b>	<b>With Service to:</b> Summa/City Hospital, Joy Park Homes and Eastgate Plaza.
<b>#6 East Market/Lakemore</b>	<b>With Service to:</b> Edwin Shaw Hospital, Tri-County Plaza, Seven Stories East and Summa/City Hospital.
<b>#19 Eastland</b>	<b>With Service to:</b> The University of Akron, Central-Hower Building, Summa/City Hospital, Midway Plaza, Nimmer Place Apartments and Chapel Hill Mall.
<b>#30 Goodyear/Darrow</b>	<b>With Service to:</b> Central-Hower Building, Summa's City Hospital, Little Forest and Middlebury Manor Nursing Homes, Tallmadge Kmart and ACME and Goodyear Metro Park.
<b>#110 Green/Springfield</b>	<b>With Service to:</b> The University of Akron, Goodyear Tire and Rubber, Lockheed-Martin Plant, Portage Lakes Career Center and the Akron-Canton Airport.

***Firestone Park/University Park***

<b>#2 Arlington</b>	<b>With Service to:</b> Arlington Plaza, The University of Akron, Arlington Rd, Walmart and limited service to Joy Park Homes.
<b>#5 East Market/Ellet</b>	<b>With Service to:</b> Summa/City Hospital, Joy Park Homes and Eastgate Plaza.
<b>#6 East</b>	<b>With Service to:</b> Edwin Shaw Hospital, Tri-County Plaza, Seven Stories

<b>Market/Lakemore</b>	East and Summa/City Hospital.
<b>#13 Grant/Firestone Park</b>	<b>With Service to:</b> Goodwill, Bridgestone/Firestone, Beacon Journal, Post Office on Wolf Ledges and CSS-Community Support Services.
<b>#17 Brown/Inman</b>	<b>With Service to:</b> Arlington Plaza, Goodrich Middle School, Wilbeth-Arlington Homes and Garfield High School.
<b>#111 South Main/Franklin</b>	<b>With Service to:</b> Portage Lakes State Park, Interval Brotherhood Home, Portage Lakes IGA, VA Clinic, Community Support Services, Park Lane Manner and the Main Post Office.

***Kenmore/Summit Lake***

<b>#8 Kenmore/Barberton</b>	<b>With Service to:</b> Magic City Shopping Center, Summit Lake Apartments, Lake Anna, Barberton High School and METRO's Administrative Offices.
<b>#18 Thornton/Manchester</b>	<b>With Service to:</b> Manchester Rd. ACME, Coventry High School, Riedinger School and Downtown Akron.
<b>#24 Lakeshore</b>	<b>With Service to:</b> Summit Lake Apartments, Riedinger Middle School, Jackson Terrace Apartments and METRO RTA administrative offices.

***West Akron***

<b>#2 Arlington</b>	<b>With Service to:</b> Arlington Plaza, The University of Akron, Arlington Rd, Walmart and limited service to Joy Park Homes.
<b>#3 Copley Road/Hawkins</b>	<b>With Service to:</b> Children's Hospital Medical Center, Saferstein Towers, Buchtel High School, Hawkins Plaza, and Rolling Acres Transit Center.
<b>#9 Wooster/East Avenue</b>	<b>With Service to:</b> Rolling Acres Transit Center, Miller South School, Children's Hospital, Edgewood Homes and Belcher Apartments.
<b>#14/14X Euclid/Barberton Express</b>	<b>With Service to:</b> Rolling Acres Transit Center, Hawkins Plaza, Barberton Citizens Hospital, the <u>Akron Zoo</u> and JR Wheel.
<b>#18 Thornton/Manchester</b>	<b>With Service to:</b> Manchester Rd. ACME, Coventry High School, Riedinger School and Downtown Akron.

**Green Building Standards**

Properties rehabilitated through the City's housing development programs, including its NSP activities, must incorporate Energy Star-rated products and other energy efficiency standards into housing rehabilitation activities. The standards that promote energy conservation include but are not limited to effective insulation, high performance windows, efficient heating and cooling equipment, lighting and appliances. Moreover, the City mandates that companies close to the Akron area should, if practical, manufacture the green or energy star building materials and appliances used in the renovation of properties.

**Deconstruction**

The City mandates that developers receiving public funds to renovate houses should recycle existing materials from those structures, when possible. Here are the current procedures that the City follows to manage this process:

- Waiver Program demolishes house at the request of the owner. In-lieu of demolition, deconstruction can take place. The owners who can have the added advantage of a tax deduction often donate give materials to a non-profit such as Habitat for Humanity. The owner may also sell reclaimed materials to a builder and a materials handler.
- City of Akron owned properties would be considered for the Deconstruction process.

**FACTOR 6: NEIGHBORHOOD TRANSFORMATION AND ECONOMIC OPPORTUNITY**

The City of Akron's proposed NSP 2 activities are consistent with established comprehensive or multi-jurisdiction redevelopment plans. Specifically, in addition to the housing investment proposed for the NSP 2 program the City, plans to make a series of investments through 2012 in the public infrastructure, to further stabilize each of the targeted geographies. A more detailed identification of the projects' timing, amount and source of funding from the City's Five-Year Capital Budget appear below:

**NORTH HILL NSP AREA**

<u>Activity</u>	<u>Amount</u>
Transportation	\$24,422,000
Parks & Recreation	2,696,000
Public Utilities	250,000
Economic Development	<u>2,727,000</u>
<b>Total</b>	<b>\$30,095,000</b>

**GOODYEAR-ELLET NSP AREA**

<u>Activity</u>	<u>Amount</u>
Transportation	\$7,504,000
Parks & Recreation	793,000
Public Facilities	5,536,000
Public Utilities	100,000
Economic Development	<u>158,095,000</u>
<b>Total</b>	<b>\$172,083,000</b>

**UNIVERSITY-FIRESTONE PARK NSP AREA**

<u>Activity</u>	<u>Amount</u>
Transportation	\$41,263,000
Parks & Recreation	710,000
Public Facilities	37,000
Public Utilities	6,308,000
Economic Development	<u>9,656,000</u>
<b>Total</b>	<b>\$57,974,000</b>

**KENMORE-SUMMIT LAKE NSP AREA**

<u>Activity</u>	<u>Amount</u>
Transportation	\$5,725,000
Parks & Recreation	5,720,000
Economic Development	<u>927,000</u>
<b>Total</b>	<b>\$11,982,000</b>

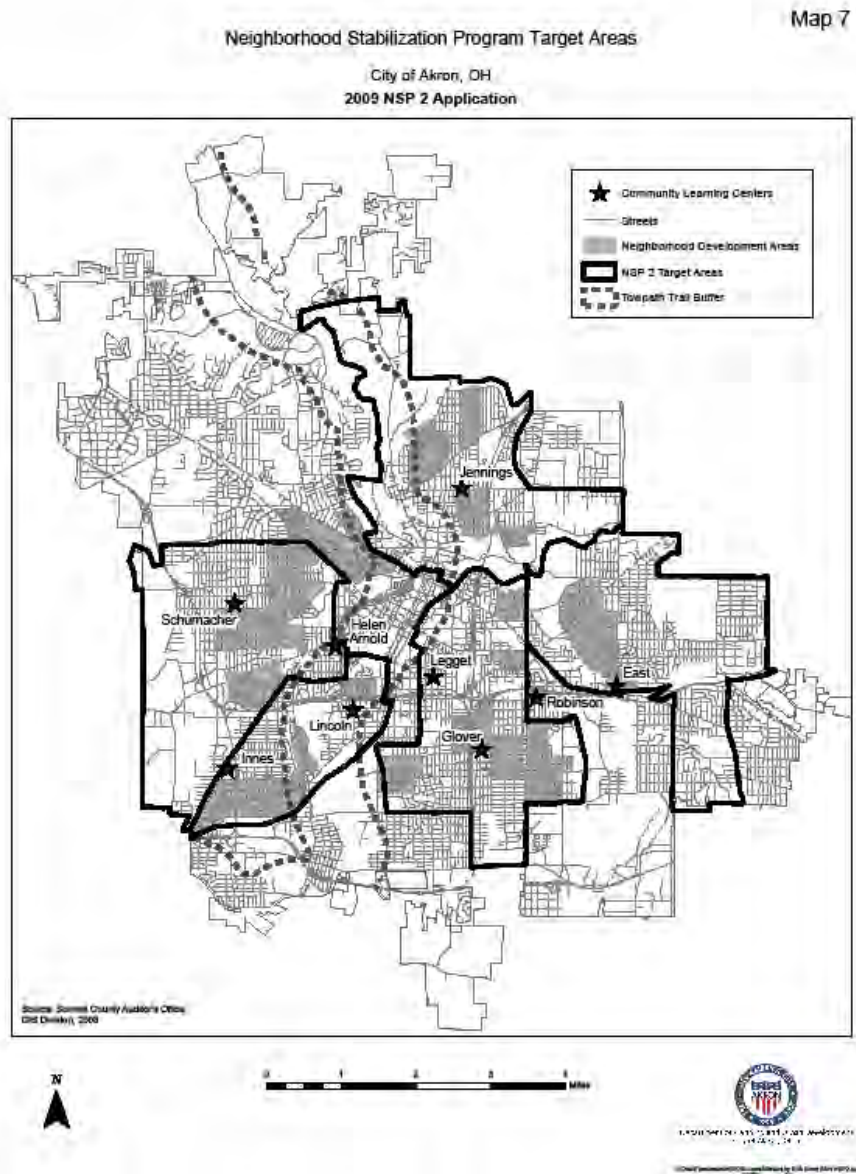
**WEST AKRON NSP AREA**

<u>Activity</u>	<u>Amount</u>
Transportation	\$14,164,000
Parks & Recreation	961,000
Public Facilities	214,000
Public Utilities	1,645,000
Economic Development	<u>100,000</u>
<b>Total</b>	<b>\$17,084,000</b>

Furthermore, the City’s overall housing program focuses on targeted acquisition in deteriorated areas, to remove blighting conditions and create buildable lots for

new housing construction, while expanding some of the rehabilitation programs to assist low and moderate persons city-wide. The City continues to support the rehabilitation of existing housing in specific areas through the Neighborhood Initiative Area program, the Exterior Home Improvement program and the City's Minor Home Repair and Lead programs. A greater emphasis is now placed on rebuilding neighborhoods with pockets of new housing, rehabilitation assistance for properties that do not need to be removed, new streets, new curbs, new sidewalks and new street trees where necessary.

Map 7 illustrates the City's strategy of integrating Neighborhood Development Areas, Community Learning Centers and the Ohio and Erie Canal Towpath with its NSP 2 Target Areas.



Akron will afford property owners in targeted areas the opportunity to make an investment in each property to improve its outward appearance and make sure that its major systems – heating, electrical and plumbing – are in good working order. The City will invest up to \$15,000 in each property that is rehabilitated in the Redevelopment Areas, the Lead Abatement areas, and the Neighborhood Initiative areas.

**Neighborhood Redevelopment Program** -- In the oldest parts of Akron, the city will support and revitalize existing neighborhoods by removing dilapidated housing, facilitating new housing construction, upgrading the public infrastructure and rehabilitating the remaining existing housing. New construction will occur by for-profit and non-profit builders with the assistance of the City. Properties will be acquired, families relocated and land assembled for new development. Activities in each selected area will last about three years.

**Neighborhood Initiative Program** -- Owners in small neighborhoods (20-80 homes) petition the City to designate their neighborhood eligible to receive financial and technical assistance. Selection of petitions is largely based on the degree of owner participation and support. Work within selected petition neighborhoods is underway.

**Lead Hazard Reduction/Rehabilitation** -- Within the central part of the city, Akron may combine housing rehabilitation assistance with lead paint abatement activity by the Akron Health Department. Low-income homeowners with children six years old and under who are at risk for lead poisoning are eligible for this assistance. Rental Property owners are also available for assistance through the Lead Elimination Action Program, (LEAP).

Additionally, the City sponsors a "**Dollar Homes**" program, which was designed to assist those most impacted by the recession. Dollar Homes are single-family homes that are acquired by the Federal Housing Administration as a result of foreclosure actions. Single-family properties are made available through the program to the City whenever FHA is unable to sell the homes for six months. It is anticipated that the property will stay in the City's name until the construction is complete. Buyers for the dollar Home program must have an income of 115% of the median income. Subsequent to the construction jobs being complete, the property transfers to the new buyer. The City receives back the funds invested once the end buyer acquires the property.

**Joint Economic Development Districts** -- Akron and its adjacent townships were early architects of regionalism, regional strategies, and regional collaboration in the state and Northeast Ohio. Specifically, the lack of developable land posed a major constraint to Akron's economic revitalization. Like many core cities of older metropolitan areas the city was bounded by smaller political jurisdictions. Ohio's difficult and stringent annexation procedures

essentially precluded the expansion of the city's boundaries to incorporate additional land for development. In the early 1990s, the City proposed the creation of "Joint Economic Development Districts" or JEDDS, which were designed to both protect the independence and sovereignty of adjacent townships while expanding their business property tax base, and provide land for business expansions and new enterprise and to expand the income tax base available to the city for redevelopment of older areas. Akron negotiated an agreement with four adjacent townships under which the city provides water and sewerage infrastructure for new or expanding economic enterprises locating on developable land in the townships.

**City of Akron, Ohio**  
**Neighborhood Stabilization Program 2 Application**  
**Appendices**

\_\_\_\_\_ A copy of your code of conduct

\_\_\_\_\_ Leveraging documentation—firm commitment letters

\_\_\_\_\_ Signed Certifications

\_\_\_\_\_ Calculation of removal of negative effects using HUD provided rubric

\_\_\_\_\_ Summary of citizen comments including URL where plan is posted

Department of Planning and Urban Development  
JOM//TT/PKR

July 1, 2009

Offered by: CONTI

ORDINANCE NO. 296 -2009 authorizing an amendment to the 2008 Consolidated Plan and Community Development/Home Program, to include the Neighborhood Stabilization Program 2 (NSP 2) as an eligible activity; and declaring an emergency.

WHEREAS, a public hearing was held before the Akron City Planning Commission at its meeting of October 19, 2007 on the FY 2008 Consolidated Plan and Community Development/HOME Program and budget; and

WHEREAS, the Akron City Council, at its meeting of November 19, 2007 adopted the 2008 Consolidated Plan (hereinafter referred to as the Plan) through Ordinance No. 589-2007 and authorized the Mayor to execute and file the grant and related documentation with the Secretary of the Department of Housing and Urban Development (hereinafter referred to as Secretary); and

WHEREAS, in February 2009, Congress passed legislation authorizing additional but competitive emergency assistance for the redevelopment of abandoned and foreclosed homes throughout the states and communities of the United States and for this assistance the Department of Housing and Urban Development (HUD) created the Neighborhood Stabilization Program; and

WHEREAS, May 4, 2009, HUD established in the Federal Register the application procedures which require the City of Akron to prepare and complete a substantial amendment to the 2008 Consolidated Plan and an application to HUD for the funds; and

WHEREAS, the citizens of Akron have been notified of the proposed amendment to the Plan through a display advertisement that appeared in the Akron Beacon Journal July 1, 2009; and

WHEREAS, a public hearing was held before Akron City Planning Commission on an amendment to the 2008 Consolidated Plan and Community Development/HOME Program providing support for the application to HUD for the Neighborhood Stabilization Program II; and

WHEREAS, the City desires to obtain the funding from HUD and assist the redevelopment of abandoned and foreclosed homes and residential properties in the City of Akron; and

WHEREAS, Council is of the opinion that the above amendment is in the public interest and serves the public good.

NOW, THEREFORE, BE IT ENACTED by the Council of the City of Akron:

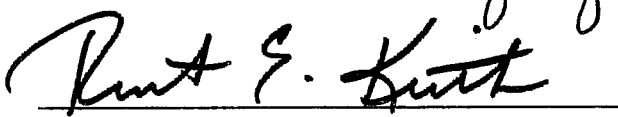
Section 1. The 2008 Consolidated Plan is amended to include the Neighborhood Stabilization Program 2 (NSP 2) as an eligible activity.

Section 2. That Council hereby authorizes the Mayor, being the Chief Executive Officer of the City, to act on this grant amendment request and to execute and file such additional information, documentation or certifications as may be required by the Secretary or by other responsible agencies.

Section 3. That the Director of the Department of Planning and Urban Development, Director of Law, Director of Finance, and other City officials, as appropriate, be and are hereby authorized to execute, certify, and/or furnish other such documents and do all other actions as are necessary and incidental to further the carrying out of this ordinance.


Section 4. That this ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of public peace, health, safety and welfare to enable the City to prepare and complete the application for the Neighborhood Stabilization Program 2; and provided this ordinance receives the affirmative vote of two-thirds of the members elected or appointed to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor, otherwise, it shall take effect and be in force at the earliest time allowed by law.

Passed: July 6, 2009

  
Clerk of Council

  
President of Council

Approved: July 15, 2009

  
MAYOR