



# CITY OF YOUNGSTOWN 2021 ANNUAL ACTION PLAN

**DRAFT**

JUNE 2020  
DEPARTMENT OF COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT  
CITY HALL, 4TH FLOOR, 26 SOUTH PHELPS STREET, YOUNGSTOWN, OH 44503



# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

Promulgated by the U.S. Department of Housing and Urban Development (HUD) for the City of Youngstown to receive federal funding for affordable housing and community development initiatives benefitting primarily low- and moderate-income persons. This Con Plan consolidates into a single document the planning and application requirements for the Community Development Block Grant (CDBG) program.

The purpose of the plan is to:

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable and accessible neighborhoods, greater integration of low- and moderate-income residents throughout the City, increased housing opportunities, and reinvestment in aging neighborhoods.
- To expand economic opportunities through job creation, homeownership opportunities, façade improvement, development activities that promote long-term community viability and the empowerment of low- and moderate-income persons to achieve self-sufficiency.

The City of Youngstown anticipates receiving \$3,522,132 in CDBG funds, \$694,297 in HOME funds, and \$303,238 in ESG in FY 2020. The City will also be allocating \$310,869 from the third tranche of CDBG-CV funds from the CARES Act.

### 2. Summarize the objectives and outcomes identified in the Plan

Housing needs among residents of the City of Youngstown were determined by analyzing housing problems by income level, tenure, and households with special needs during the creation of the 2020-2024 Consolidated Plan. Sources included the Comprehensive Housing Affordability Strategy (CHAS) dataset, which is based on the 2011-2015 American Community Survey Five-Year Estimates. This source analyzes households with one or more housing problems (overcrowding, lacking adequate kitchen or plumbing facilities), and households experiencing cost burden and severe cost burden.

The most significant housing issue identified was cost burden, defined as spending between 30-50% of household income on housing costs such as mortgage and rent payments, and severe cost-burden,

defined as households spending more than 50% of their income on housing costs. According to CHAS data, 34.1% of households in the City are cost burdened, particularly households with incomes between 0-50% AMI. A significant proportion of Youngstown households are severely cost-burdened as well, consisting 18.4% of households, particularly households with incomes between 0-30% AMI.

To address the identified housing needs, the City has established the following goals and outcomes to be achieved through the investment of its CDBG, HOME, and ESG resources in fiscal year 2021:

Goal Name	Goal Outcome Indicator
Increase supply of housing	TBD
Improve quality of existing housing	Homeowner Housing Rehabilitated: 41 housing units
Blight removal	TBD
Public facility improvements	TBD
Public infrastructure improvements	TBD
Assist in creating economic opportunities	TBD
Provide housing/services to the homeless and near-homeless population	TBD
Reduce crime	TBD
Assist public service providers	TBD
Grant administration	N/A

### 3. Evaluation of past performance

The summary of past performance reported below was taken from the City's most recently completed Consolidated Annual Plan Evaluation Report completed for fiscal year 2019:

Goal Name	Goal Outcome Indicator
Assist in Creating Economic Opportunities	Businesses assisted: 6 businesses
Assist in Public Facility Improvements	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 92540 persons assisted
Assist Public Service Providers	Public service activities other than Low/Moderate Income Housing Benefit: 1,048 persons assisted
Improve Housing Stability	Rental units rehabilitated: 72 household housing units Homeowner Housing Added: 1 household housing unit Homeowner Housing Rehabilitated: 133 household housing units
Reduce Crime	Public service activities other than Low/Moderate Income Housing Benefit: 82,917 persons assisted

### 4. Summary of Citizen Participation Process and consultation process

**Public Needs Hearing** – One public needs hearing was held on February 9<sup>th</sup>, 2021 at 5:30 PM online via Zoom to educate residents and organizations about the CDBG programs and obtain input on housing and community development needs.

**Public Comment Period** – A draft of the Annual Plan for FY 2021 was placed on public display for 30 days beginning April 1st through May 3rd, 2021.

**Public Meeting** – The City held a public meeting on April 20<sup>th</sup>, 2021 online via Zoom to obtain final comments on the proposed Consolidated Plan for FY 2020-2024 and the proposed use of funds for FY 2020.

### 5. Summary of public comments

The need for **more affordable housing options** was one of the most cited priorities at the stakeholder workshops and public meetings. The housing stock within the City is aging and

generally considered to be low-quality or require heavy investment to bring up-to-code. High utility costs through plumbing and heating were also major issues associated with poor housing quality. Stakeholders suggested increased funding toward home repairs, rehabilitation, and code enforcement/ inspection as potential solutions to this issue. Additionally, while there is a large quantity of detached single-family housing units available throughout the City, there is a high demand for smaller 1-2 bedroom housing units that could be a more accessible housing option for residents. A fund for property acquisition to assemble land and properties was suggested as a potential opportunity to generate more affordable housing options.

**Homeless prevention services**, specifically for special needs populations such as justice-involved individuals, victims of domestic violence, and unaccompanied, were also cited as major needs in the community. The most common cause of homelessness is due to the inability to access, afford, or maintain housing. These populations inherently face barriers in accessing housing due to criminal history, lack of education or employable skills, and/or high cost-burdens due to crisis situations or lack of affordable childcare. Demand for rental assistance and utility assistance has seen astronomical increases, much of which can be attributed to COVID-related economic downturn.

As result, **workforce and economic development** were also considered a high priority for the City. Workforce development programs would assist in bolstering the local workforce and developing businesses located within the Youngstown. Many small businesses lack the connections, capital, and skillsets required to sustain their ventures. While there are service providers, such as Youngstown Business Incubator and Flying High Inc., providing workforce development programs, the demand far outstrips their capacity to serve all interested individuals. Stakeholders would like to see local and/or minority contractors and business owners better represented throughout businesses in their own neighborhoods and throughout the City. Additionally, having these amenities and opportunities available may help maintain local talent or attract new talent from outside of the City. Finally, commercial properties within the City are also aging and costly maintain; redeveloping substandard commercial properties would help cultivate local businesses and attract outside investors.

Finally, **improved public infrastructure needs**, including improved broadband access, parks, and public transit were cited as community needs. Public transit and broadband access are closely tied to access to employment opportunities. Additionally, these features have a disproportionately greater impact on low- and moderate-income households that may rely on this infrastructure for work or educational opportunities. Parks create a sense of community and maintaining them would facilitate investment in these areas.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

All comments and views were accepted. Comments outside the scope of the plan were not addressed.

## **7. Summary**

In summary, the Annual Action Plan was developed with community input and reflect the needs of the City.

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**PR-05 Lead & Responsible Agencies – 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator	YOUNGSTOWN		Community Planning and Economic Development
HOME Administrator	YOUNGSTOWN		Community Planning and Economic Development
ESG Administrator	YOUNGSTOWN		Community Planning and Economic Development

**Table 1 – Responsible Agencies**

**Consolidated Plan Public Contact Information**

Ms. Beverly Hosey  
 Director, Community Development  
 City Hall, 4th Floor  
 26 South Phelps Street  
 Youngstown, OH 44503  
 Phone: (330) 744-0854  
 Fax: (330) 744-7522  
 blhosey@youngstownohio.gov

## **AP-10 Consultation – 91.100, 91.200(b), 91.215(I)**

### **1. Introduction**

**Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))**

The City of Youngstown developed an outreach effort to maximize input from a large cross-section of stakeholders. The outreach effort included public meetings, stakeholder meetings, and published meeting notices.

Several housing, social service agencies, and other organizations serving the City of Youngstown were consulted during the development of this Consolidated Plan. The City held a public needs meeting on February 9<sup>th</sup>, 2021. Participants included affordable housing providers, neighborhood organizations, homeless and social service providers, and city staff members.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The City of Youngstown collaborates with the Mahoning County Homeless Continuum of Care to address the needs of homeless persons and persons at risk of homelessness in the City. The mission of the Continuum is to end homelessness in the community. It will assist all persons and families who are homeless and/or near homeless in obtaining housing, economic stability and an enhanced quality of life through planning, education, advocacy and other comprehensive services.

Additionally, the City worked closely with the CoC to administer ESG-CV funds provided through the CARES Act. Programming includes Rapid Re-Housing that includes case management for those affected by COVID-19; homelessness prevention services through case management, rental assistance, utility payments, and security deposits; and emergency shelter operations. Additionally, a temporary shelter program utilizing Treasury funds was established through Catholic Charities for households impacted by COVID-related issues such as loss of income or housing.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

The CoC was consulted with to develop the homelessness strategy and ensure ESG funds are efficiently used and in compliance with the HEARTH Act and ESG program requirements. The CoC provided recommendations of the allocation of ESG funding and reviewed applications alongside the City. CoC also has established standards for completing quarterly reports and standards for Homeless Management Information System (HMIS) data quality reporting.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities**

1	Agency/Group/Organization	City Youngstown, Community Planning & Economic Development
	Agency/Group/Organization Type	Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development Anti-Poverty Strategy
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Public outreach and consultation, participation in stakeholder meetings.
2	Agency/Group/Organization	Youngstown Neighborhood Development Corporation
	Agency/Group/Organization Type	Housing Services - Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis Economic Development
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
3	Agency/Group/Organization	Mahoning-Youngstown Community Action Partnership
	Agency/Group/Organization Type	Services - Housing Services - Elderly Persons Services - Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis

	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
4	Agency/Group/Organization	Community Legal Aid
	Agency/Group/Organization Type	Services - Fair Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
5	Agency/Group/Organization	Youngstown Tenant Council
	Agency/Group/Organization Type	Civic Leaders
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
6	Agency/Group/Organization	Home for Good
	Agency/Group/Organization Type	Services - Housing Services - Employment
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.

7	Agency/Group/Organization	Mahoning Valley YWCA
	Agency/Group/Organization Type	Services - Homeless
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Strategy
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
8	Agency/Group/Organization	Mahoning County Homeless Continuum of Care
	Agency/Group/Organization Type	Services - Homeless Continuum of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Strategy
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings. Consulted with for homeless facilities, services, and strategy.
9	Agency/Group/Organization	Goodwill Youngstown
	Agency/Group/Organization Type	Services - Homeless
	What section of the Plan was addressed by Consultation?	Homelessness Strategy
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
10	Agency/Group/Organization	Compass Family and Community Services
	Agency/Group/Organization Type	Services - Homeless Services - Victims of Domestic Violence
	What section of the Plan was addressed by Consultation?	Homeless Needs - Families with children Homelessness Needs - Unaccompanied Youth Homelessness Strategy
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
11	Agency/Group/Organization	Dare to Dream
	Agency/Group/Organization Type	Services - Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs

	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
12	Agency/Group/Organization	Neighborhood Ministries
	Agency/Group/Organization Type	Services - Housing Services - Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
13	Agency/Group/Organization	Inspiring Minds
	Agency/Group/Organization Type	Services - Children
	What section of the Plan was addressed by Consultation?	Non-Homeless Special Needs Economic Development
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
14	Agency/Group/Organization	Northeast Homeowners and Concerned Citizens Association
	Agency/Group/Organization Type	Civic Leaders Neighborhood Organization
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Economic Development
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
15	Agency/Group/Organization	Youngstown Business Incubator
	Agency/Group/Organization Type	Business Leaders
	What section of the Plan was addressed by Consultation?	Market Analysis Economic Development

	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.
16	Agency/Group/Organization	Youngstown Metropolitan Housing Authority
	Agency/Group/Organization Type	PHA
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Public Housing Needs Market Analysis
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings. Consulted with for public housing needs and strategy.
17	Agency/Group/Organization	CityScape
	Agency/Group/Organization Type	Planning organization
	What section of the Plan was addressed by Consultation?	Market Analysis Economic Development
	How was the Agency/Group Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination	Attended stakeholder meetings.

**Table 2 – Agencies, groups, organizations who participated**

**Identify any Agency Types not consulted and provide rationale for not consulting**

All relevant entities were considered for consultation.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Comprehensive Economic Development Strategy 2020-2022	Eastgate Regional Council of Governments	The 2020-2022 CEDS' economic development initiatives pertaining to Youngstown were taken into consideration with the Strategic Plan.
Mahoning Valley Opportunity Zones – Investment Prospectus	Eastgate Regional Council of Governments	The opportunity zones helped identify areas where investors are incentivized to spur economic development, job creation, and neighborhood revitalization.
Mahoning County 2018 Multi-Jurisdictional Hazard Mitigation Plan	Mahoning County Emergency Management Agency	The Mahoning County 2018 Multi-Jurisdictional Hazard Mitigation Plan was taken into consideration when considering risks associated with climate change and vulnerable populations disproportionately affected by natural hazard risks.

**Table 3 – Other local / regional / federal planning efforts**

**AP-12 Participation – 91.105, 91.200(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

**Public Needs Hearing** – One public needs hearing was held on February 9<sup>th</sup>, 2021 at 5:30 PM online via Zoom to educate residents and organizations about the CDBG programs and obtain input on housing and community development needs.

**Public Comment Period** – A draft of the Annual Plan for FY 2021 was placed on public display for 30 days beginning April 1st through May 3rd, 2021.

**Public Meeting** – The City held a public meeting on April 20<sup>th</sup>, 2021 online via Zoom to obtain final comments on the proposed Consolidated Plan for FY 2020-2024 and the proposed use of funds for FY 2020.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Needs Hearings	Non-targeted/ broad community	53 attendees	See comments in Citizen Participation Comments	None	
3	Public Hearing	Non-targeted/ broad community	April 20 <sup>th</sup> , 2021	TBD		
4	Public Display Period	Non-targeted/ broad community	April 1 <sup>st</sup> – May 2 <sup>nd</sup> , 2021	TBD		

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

The following page details the anticipated available resources for the program year covering fiscal year 2021.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$3,522,132	0	0	\$3,522,132	\$10,566,396	Funds for housing and non-housing community development needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$694,297	0	0	\$694,297	\$2,082,891	Funds for rehabilitation of rental and homeowner housing units and rehabilitation.
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	303,238	0	0	303,238	\$909,714	Funds for homeless services including Centralized Intake, transitional housing/ Rapid Rehousing, emergency shelters, and in-house supportive services.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

Additional resources will be leveraged from local and regional foundations. The City of Youngstown is considered a fiscally distressed community; the City is not required to provide a match for its HOME funds.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The City is not using publicly owned land or property to meeting the needs and goals of the Annual Action Plan.

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## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Increase supply of housing	2020	2024	Affordable Housing	City-wide	Housing	-	
2	Improve quality of existing housing	2020	2024	Affordable Housing	City-wide	Housing	CDBG: \$999,117 HOME: \$694,297	Homeowner Housing Rehabilitated: 41 housing units
3	Blight removal	2020	2024	Affordable Housing	City-wide	Housing	CDBG: \$156,000	
4	Public facility improvements	2020	2024	Non-Housing Community Development	City-wide	Public Facility & Infrastructure Improvements	CDBG: \$181,000	
5	Public infrastructure improvements	2020	2024	Non-Housing Community Development	City-wide	Public Facility & Infrastructure Improvements	CDBG: \$902,000	
6	Assist in creating economic opportunities	2020	2024	Non-Housing Community Development	City-wide	Economic Development	CDBG: \$100,000	
7	Housing/services to the homeless and near-homeless	2020	2024	Homeless	City-wide	Homeless	ESG: \$303,238	

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Reduce crime	2020	2024	Non-Housing Community Development	City-wide	Crime Reduction	CDBG: \$200,000	
9	Assist public service providers	2020	2024	Non-Homeless Special Needs	City-wide	Public Service	CDBG: \$203,000	
10	Grant administration	2020	2024	Admin	City-wide	Grant Administration	CDBG: \$701,015	
11	Repayment of Section 108 Loans	2021	2024	Non-Housing Community Development	City-wide	Repayment of Section 108 Loans	CDBG: \$80,000	

Table 6 – Goals Summary

### Goal Descriptions

1	<b>Goal Name</b>	Increase supply of housing
	<b>Goal Description</b>	Fund activities that expand the supply and improve the condition of housing affordable to lower income households, including new construction and leveraging other public and private resources such as Low Income Housing Tax Credits to make housing more available to low- and moderate-income households.
2	<b>Goal Name</b>	Improve quality of existing housing
	<b>Goal Description</b>	Extend the useful life of existing affordable housing through weatherization, repair, and rehabilitation programs.

3	<b>Goal Name</b>	Blight removal
	<b>Goal Description</b>	Demolition of vacant, blighted and abandoned structures and removal of litter and trash in right-of-ways and illegal dumping sites.
4	<b>Goal Name</b>	Public facility improvements
	<b>Goal Description</b>	The City will use CDBG funds to make improvements to public facilities such as senior centers, homeless facilities, facilities for persons with special needs, youth centers, neighborhood facilities, parks, child care centers, health facilities, and other public buildings over the next several years.
5	<b>Goal Name</b>	Public infrastructure improvements
	<b>Goal Description</b>	The City will use CDBG funds to make improvements to streets, sidewalks, stormwater infrastructure, water and sewer infrastructure, and other public infrastructure over the next several years.
6	<b>Goal Name</b>	Assist in creating economic opportunities
	<b>Goal Description</b>	Assistance to businesses that serve low-moderate income neighborhoods and/or create job opportunities for low- to moderate-income people.
7	<b>Goal Name</b>	Housing/services to the homeless and near-homeless
	<b>Goal Description</b>	The City will use CDBG and ESG funds to support shelter and housing operations. Acquisition, construction, or rehabilitation of temporary shelters and transitional housing for the homeless, including victims of domestic violence, veterans, disaster victims, families with children, unaccompanied youth, drug offenders, and formerly incarcerated persons. Provide funding to increase permanent supportive housing opportunities and work to create a stronger network of providers of supportive and mainstream services to homeless clients.
8	<b>Goal Name</b>	Reduce crime
	<b>Goal Description</b>	Provide community policing (7 officers and 1 supervisor) to target "hot spot" crime areas. Also work closely with business and residents in addressing quality of life issues.

9	<b>Goal Name</b>	Assist public service providers
	<b>Goal Description</b>	Services offered include but are not limited to elderly, youth transitioning out of foster care, victims of domestic violence, and justice-involved individuals facing re-entry. Services encompass childcare services, health and mental health services, broadband access, transportation, non-homeless special needs and employment training.
10	<b>Goal Name</b>	Grant administration
	<b>Goal Description</b>	Support administration and delivery of CDBG activities.
11	<b>Goal Name</b>	Repayment of Section 108 Loans
	<b>Goal Description</b>	Repayment of principle and interest on Section 108 loans for an amphitheater.

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## Projects

### AP-35 Projects – 91.220(d)

#### Projects

Sort Order	Project	Planned Activities
1	Administration	<ul style="list-style-type: none"> <li>• CDBG Administration</li> </ul>
2	Housing	<ul style="list-style-type: none"> <li>• BNOY Emergency Energy</li> <li>• BNOY Color of the City</li> <li>• YNDC – Emergency Repair</li> <li>• Plaza View – Health and Safety</li> <li>• YNDC – Limited Repair</li> <li>• City of Youngstown Housing Program Delivery</li> <li>• BNOY You@Home</li> <li>• YNDC Acquisition &amp; Rehab (CHDO)</li> </ul>
3	Public Facilities & Infrastructure Improvements	<ul style="list-style-type: none"> <li>• OUR – Building Renovation and Revitalization</li> <li>• CityScape Youngstown Urban Greenhouse Initiative</li> <li>• City of Youngstown – Fire Equipment</li> <li>• City of Youngstown – Street Improvements</li> <li>• CityScape Wick Park Running Trail</li> <li>• Northeast Homeowners Association</li> <li>• CityScape Sidewalk Squad</li> <li>• Youngstown Playhouse Exterior Rehabilitation</li> </ul>
4	Public Services	<ul style="list-style-type: none"> <li>• City of Youngstown – Community Police Program</li> <li>• Associated Neighborhood Centers – Neighborhood Services</li> <li>• Flying High, Inc. – Professional Development Center</li> <li>• Home for Good</li> <li>• Inspiring Minds – Youngstown – Youth Enrichment Program</li> <li>• SMARTS, Students Motivated by the Arts</li> <li>• YNDC – Revitalize</li> <li>• Youngstown Business Incubator – The Youth Entrepreneurship (YE)</li> <li>• City of Youngstown – Litter Control</li> <li>• Boys and Girls Club Summer Youth Works Program</li> <li>• CDBG-CV Food Banks</li> </ul>
5	Economic Development	<ul style="list-style-type: none"> <li>• 2915 Glenwood Avenue Commercial Revitalization Project</li> </ul>
6	Repayment of 108 Loan	<ul style="list-style-type: none"> <li>• Section 108 Loan Payment (Amphitheater)</li> </ul>
7	Housing and Homeless Assistance	<ul style="list-style-type: none"> <li>• ESG21</li> </ul>

**Table 7 - Project Information**

**Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

The majority of Youngstown’s projects, including public service, housing, public facility, and public infrastructure activities, are selected through a competitive process. All CDBG projects and programs funded in 2021 were chosen because they address high priority needs in the community. Projects selected for CDBG funding were prioritized on efficient utilization of non-CDBG funds and ability to serve the largest number of beneficiaries.

Additionally, the \$310,869 received under the third tranche of CDBG-CV will be allocated toward aiding food banks and food delivery services. Like many cities across the country, Youngstown sees a strong need for food assistance. The economic crisis stemming from COVID-19 has placed pressure on food banks due to increasing demand for food assistance and shortages in donations and volunteers.

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## AP-38 Project Summary

### Project Summary Information

1	Project Name	CDBG Administration
	Target Area	City of Youngstown
	Goals Supported	Grant Administration
	Needs Addressed	Grant Administration
	Funding	CDBG: \$701,015
	Description	General CDBG administration costs
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	City-wide
	Planned Activities	Administrative costs for grant management and monitoring.
2	Project Name	HOME and CDBG Housing
	Target Area	City of Youngstown
	Goals Supported	Increase supply of housing Improve quality of existing housing
	Needs Addressed	Housing
	Funding	CDBG: \$999,117 HOME: \$694,297
	Description	
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	41 income-eligible households
	Location Description	City-wide
	Planned Activities	Owner-occupied housing unit rehabilitation, acquisition, home repairs and lead-based paint hazard mitigation and abatement.
3	Project Name	Public Facilities and Public Improvements
	Target Area	City of Youngstown
	Goals Supported	Public facility improvements Public infrastructure improvements
	Needs Addressed	Public Facility & Infrastructure Improvements

	Funding	CDBG: \$1,083,000
	Description	Public facility and street improvements, land reuse projects, beautification and streetscape activities, and fire department equipment lease program.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	40,000 persons are expected to benefit from these improvements.
	Location Description	City-wide
	Planned Activities	<ul style="list-style-type: none"> <li>• OUR – Building Renovation and Revitalization</li> <li>• CityScape Youngstown Urban Greenhouse Initiative</li> <li>• City of Youngstown – Fire Equipment</li> <li>• City of Youngstown – Street Improvements</li> <li>• CityScape Wick Park Running Trail</li> <li>• Northeast Homeowners Association</li> <li>• CityScape Sidewalk Squad</li> <li>• Youngstown Playhouse Exterior Rehabilitation</li> </ul>
4	Project Name	Public Services
	Target Area	City of Youngstown
	Goals Supported	Reduce crime Blight removal Assist public service providers Assist in creating economic activities
	Needs Addressed	Housing Crime reduction Public service
	Funding	CDBG: \$478,800 CDBG-CV: \$310,869
	Description	Public service programs that will serve a general low-moderate income population, including activities specific to youth and seniors. CDBG-CV funds will be used for food bank services and programs.
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	83,837 low- and moderate-income households are expected to benefit from these services
	Location Description	City-wide

	Planned Activities	Community policing program will target crime "hot spots" that have been identified through data collection and mapping. Community police will also work with neighborhood groups and businesses to improve quality of life and increase safety. Other public services include litter control, workforce development, youth programs, and re-entry services.
5	Project Name	Economic Development
	Target Area	City of Youngstown
	Goals Supported	Assist in creating economic opportunities
	Needs Addressed	Economic Development
	Funding	CDBG: \$100,000
	Description	Commercial redevelopment on Glenwood Avenue
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	2915 Glenwood Avenue
	Planned Activities	2915 Glenwood Avenue Commercial Revitalization Project
6	Project Name	Repayment of 108 Loan
	Target Area	City of Youngstown
	Goals Supported	Repayment of Section 108 Loans
	Needs Addressed	Repayment of Section 108 Loans
	Funding	CDBG: \$80,000
	Description	Repayment of Section 108 Loans for an amphitheater
	Target Date	6/30/2022
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	City-wide
	Planned Activities	Repayment of 108 Loan for an amphitheater
7	Project Name	Housing and Homeless Assistance
	Target Area	City of Youngstown
	Goals Supported	Provide housing/services to the homeless and near-homeless population
	Needs Addressed	Homeless
	Funding	ESG: \$303,238
	Description	Assistance to shelters and provide services to homeless individuals and families.

Target Date	6/30/2022
Estimate the number and type of families that will benefit from the proposed activities	
Location Description	City-wide
Planned Activities	Rapid Re-Housing, homeless prevention services, and mediation services. Youth and victims of domestic violence shelters are included in these activities.

DRAFT

## AP-50 Geographic Distribution – 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Assistance will be provided city-wide.

### Geographic Distribution

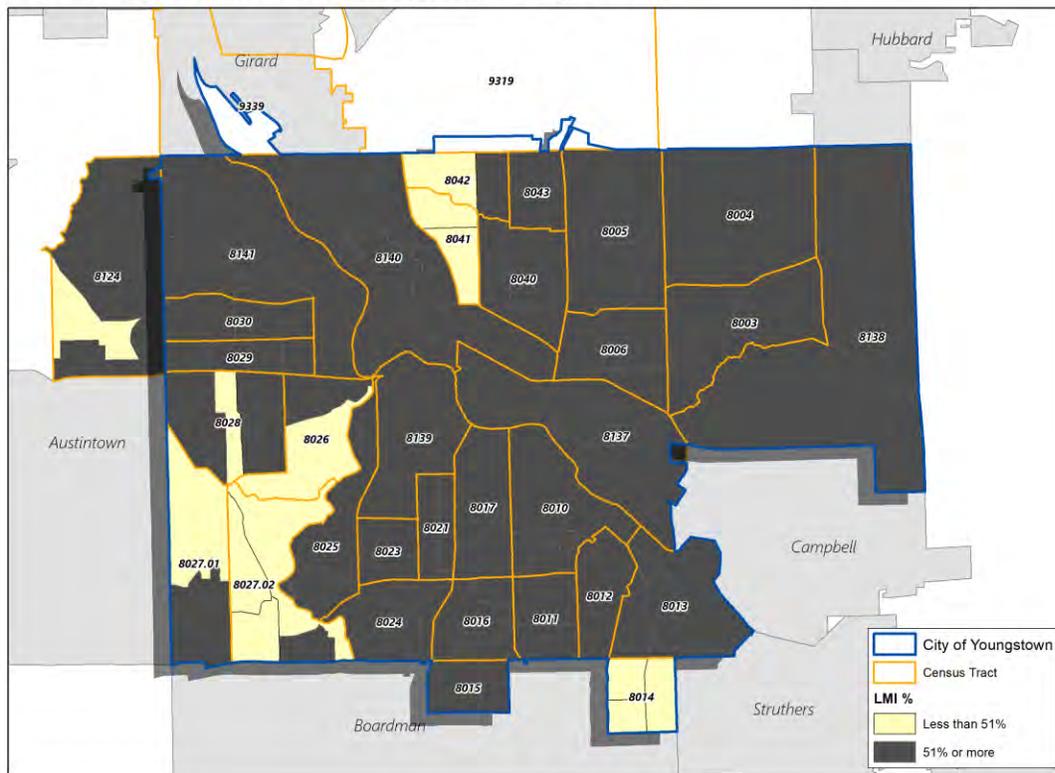
Target Area	Percentage of Funds
CITY OF YOUNGSTOWN	100

Table 8 - Geographic Distribution

### Rationale for the priorities for allocating investments geographically

According to 2011-2015 CHAS data, 68.9% of the City of Youngstown’s households are considered low- to moderate-income. With the majority of block groups eligible for area benefit, the need for investment is city-wide.

Low- and Moderate-Income Block Groups, 2015 - Youngstown, OH



## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

<b>One Year Goals for the Number of Households to be Supported</b>	
Homeless	876
Non-Homeless	1,275
Special-Needs	0
Total	2,151

**Table 9 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	-
The Production of New Units	-
Rehab of Existing Units	41
Acquisition of Existing Units	-
Total	-

**Table 10 - One Year Goals for Affordable Housing by Support Type**

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

The Youngstown Metropolitan Housing Authority (YMHA) has created affordable housing opportunities for residents since the early 1930s. YMHA primarily operates in the City of Youngstown but also maintains scattered sites throughout Mahoning County. YMA currently manages a portfolio of 1,455 public housing units and 2,280 Housing Choice Vouchers.

### **Actions planned during the next year to address the needs to public housing**

YMHA continues to meet the housing needs of low-income households in Youngstown and Mahoning County through the following strategies:

- Maintain a minimal vacancy rate in the public housing program and increase utilization of the Housing Choice Voucher (HCV) program to maximize the number of available assisted housing units.
- Continue to provide housing dedicated to the needs of seniors by maintaining the designation of certain public housing properties through HUD's Designated Housing Plan for the Elderly
- Renovate and modernize the public housing stock with the use of Capital Funds and seek additional financing opportunities for the same.
- Increase the supply of assisted housing units by developing new units and applying for additional vouchers
- Collaborate and continue support of local initiatives that provide housing for homeless and special needs households through the public housing and HCV programs
- Continue to provide economic opportunities for residents through the Family Self-Sufficiency (FSS) program and other resident services.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

Each property managed by YMHA has a Residents' Council to provide input on the needs of residents and assist in decision-making. Additionally, YMHA's FSS program helps families to find and maintain employment and establish a savings account to ultimately independently maintain their own housing in the future.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be**

**provided or other assistance**

The PHA is not troubled.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

Help Network of Northeast Ohio serves to provide immediate comprehensive services to support and connect people with community resources. Services directly related to housing include:

- Dispute resolution services as an alternative to options like court and law enforcement. Disputes include civil actions, landlord/tenant, consumer, workplace, neighborhood, and family disputes.
- The Project for Assistance in Transition from Homelessness (PATH) to link individuals with resources and stable housing
- The Housing Opportunities Program, providing rental assistance for individuals receiving services through agencies connected with the Mahoning County Mental Health and Recovery Board.

Catholic Charities Regional Agency also conducts homeless outreach as part of their Rapid Re-Housing program. Individuals and families receiving services are housed, connected to other community resources, and receive case management as quickly as possible

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

While ESG funding is primarily allocated to homelessness prevention, the City also understands that emergency shelters are also important in addressing homeless needs. Rescue Mission of the Mahoning Valley is the largest service provider of emergency shelter and is funded without ESG dollars. Shelters are available for families and single men and women. Services offered at their emergency shelters include free meals available to the public, workforce and career assistance, and counseling and case management.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were**

### **recently homeless from becoming homeless again**

Daybreak Youth Crisis Center provides ten beds for homeless youth from ages 11 to 18 years. In addition to housing, the shelter also provides individualized case management and counseling, transportation to and from school, on-site tutors, recreation and enrichment activities, and public speaking and in-service training.

Sojourner House Domestic Violence Center provides, in addition to housing, individualized case management for legal, financial, medical, vocational, and housing needs; education and activities for both parents and children; monthly support groups; and public speaking and in-service training for both clients and service providers for adults in crisis.

In addition to the general homeless services offered by Catholic Charities, supportive services targeting seniors and pregnancy support services are available in Mahoning County. Senior supportive services include client assessment, casework, face-to-face interviews, collateral interviews, service delivery, advocacy with community resources, assistance with entitlement program applications, and networking with formal and informal support systems on behalf of clients. The First Step Program for persons experiencing pregnancies in a crisis situation provides supportive case management, limited emergency financial assistance, connections to community resources, baby resources, and information and advising on parenting and adoption options. While these services are not directly funded by CDBG dollars, funding for other services help offset costs that allow for these services to continue running.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.**

Homelessness prevention services offered through Catholic Charities include basic needs assistance with food utilities, prescriptions, toiletries and more are provided in the case of emergency. Educational programs to teach clients how to maintain housing are provided through Catholic Charities Housing Opportunities Program, providing information and case management services through down payment assistance, financial education sessions, and individualized case management to determine available resources to find housing.

Additionally, Catholic Charities and Home for Good offer ex-offender/prison re-entry services. Catholic Charities' linkage service works with people leaving the criminal justice system with mental illness who are at-risk of homelessness, connecting them to resources for employment,

housing, treatment, and other community resources. Similarly, Home for Good provides services and referrals for housing, employment, education, counseling, and other basic necessities to formerly incarcerated individuals. Home for Good will receive \$20,000 in CDBG funds to facilitate the running of their program.

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

To identify barriers to affordable housing, the City of Youngstown participated in the 2013 Regional Analysis of Impediments to Fair Housing Choice and Fair Housing and Equity Assessment through the Northeast Ohio Sustainable communities Consortium. The AI explores key issues and obstacles that influence affirmatively furthering fair housing as well as the effectiveness of the fair housing system.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

In accordance with the AI, fair housing training will continue to be offered through the YMHA Homebuyers Club, a collaboration between the PHA, the City's Human Relations Commission, PNC Bank, and other realtors. Topics covered include the homeownership process, spotting and reporting discrimination, protected classes, home financing, credit repair, and predatory lending. Since 2016, the YMHA Homebuyers Club has offered eight training sessions each year. YMHA will also continue providing briefings to public housing and HCV holders on fair housing.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

Over the next year, the City of Youngstown plans the following actions to help address the housing and community development needs of City residents, especially low and moderate-income residents.

### **Actions planned to address obstacles to meeting underserved needs**

The City is allocating a total of \$203,000 in CDBG funding to public service agencies that will meet the needs of the underserved in providing health care, re-entry assistance to citizens returning from prison, neighborhood clean-ups, and youth programs.

### **Actions planned to foster and maintain affordable housing**

In order to allow low- and moderate-income families maintain their homes, home repairs and rehabilitation programs offered by Youngstown Neighborhood Development Corporation (YNDC) are being funded through CDBG (\$739,117) and HOME (\$570,000) dollars. Emergency repair, such as furnace and plumbing repairs, and exterior home repairs are offered at no cost to eligible homeowners. YNDC also acquires and renovates vacant homes and offers them to new homeowners at an affordable price.

### **Actions planned to reduce lead-based paint hazards**

Youngstown will cooperate with the Mahoning County Lead-Based Paint Hazard Control Program, which serves to make housing units lead safe use a combination of interim controls and lead abatement techniques to reduce environmental health issues in housing. The Lead Hazard Control Program partners with local hospitals to coordinate screening children and training/educating parents regarding lead and healthy homes issues.

### **Actions planned to reduce the number of poverty-level families**

Public service activities intending to alleviate poverty revolve around youth development programs and workforce development. Planned activities include Flying High's employment and job services and youth programs offered by Inspiring Minds – Youngstown, OCCHA, SMARTS, Youngstown Business Incubator, and Boys and Girls Clubs of Youngstown.

### **Actions planned to develop institutional structure**

The City will continue to participate in developing institutional structure through the participation in the CoC, Eastgate Regional Council of Governments, work closely with the Regional Chamber of Commerce, the Western Reserve Port Authority and the Mahoning Rivers

Mayors Association, and attend various neighborhood planning meetings.

**Actions planned to enhance coordination between public and private housing and social service agencies**

The City will continue to work with YMHA, YNDC, and other housing professionals to ensure housing needs are addressed. Social service agencies will continue to provide needed assistance to families and the City will maintain communication and coordination to ensure their needs are met.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

**Introduction:**

**Community Development Block Grant Program (CDBG)  
Reference 24 CFR 91.220(I)(1)**

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
<b>Total Program Income</b>	<b>0</b>

**Other CDBG Requirements**

1. The amount of urgent need activities	0
---	---

**HOME Investment Partnership Program (HOME)  
Reference 24 CFR 91.220(I)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

No other forms of investment outside of the Annual Action Plan are being used

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

Please refer to the Appendix for the full HOME Recapture and Resale policy for the City of Youngstown. The recapture policy will be in effect for a time frame equal to the period of affordability as described by the HOME program regulations. The form of recapture to be used shall be “reduction during the affordability period (forgiveness).” In the event of the property changing title during the required affordability period, the City will recapture a pro-rata amount tied to the length of time remaining on the affordability period from the net-profit. If the net-proceeds are insufficient the City will retain any remaining net proceeds following payment of the first mortgage. The City shall have the right of first refusal to buy out the first mortgage from the primary lender in the event of foreclosure.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired

with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City of Youngstown requires HOME program funded activities have a monitored affordability period by means of deed restrictions placed on the property. These restrictions will be in the form of a recapture policy.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

There are no plans to refinance existing debt secured by multifamily housing.

### **Emergency Solutions Grant (ESG) Reference 91.220(l)(4)**

1. Include written standards for providing ESG assistance (may include as attachment)

**Performance Standards:** The performance standards for evaluating ESG activities are as follows:

- A. All activities are funded based on specific expected accomplishments (goals) of the annual number of people to be served
  - B. All accomplishments are reported in the HMIS and sub grantees are required to report quarterly to the CDA specific accomplishments
  - C. The actual accomplishments are measured against the goal to evaluate the effectiveness of the program
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Continuum of Care has developed a centralized assessment system or a coordinated assessment system in accordance with requirements established by HUD, each ESG-funded program or project within the Continuum of Care is required to use the assessment system. The City and all subrecipients are members of the Continuum of Care and will ensure the screening, assessment and referral of program participants are consistent with the written standards adopted. All victim service providers have chosen to use the Continuum of Care's coordinated assessment system.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

Members of the CoC that do not have a conflict of interest reviewed applications for funding and ranked them based on meeting the needs of the homeless population and recommended funding amounts to the City. The City accepted the recommendations of the CoC Committee.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with

homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

The CoC is able to meet the homeless participation requirement and consults with homeless individuals in considering policies and funding decisions.

5. Describe performance standards for evaluating ESG.

**Performance Standards:** The performance standards for evaluating ESG activities are as follows:

- A. All activities are funded based on specific expected accomplishments (goals) of the annual number of people to be served
- B. All accomplishments are reported in the HMIS and sub grantees are required to report quarterly to the CDA specific accomplishments
- C. The actual accomplishments are measured against the goal to evaluate the effectiveness of the program

# Appendix

# HOME Resale/Recapture Policy

# CITY OF YOUNGSTOWN

## MAYOR JAMAE L TITO BROWN



### DEPARTMENT OF COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

NIKKI POSTERLI, DIRECTOR

26 S. PHELPS STREET • 4<sup>TH</sup> FLOOR • YOUNGSTOWN, OHIO 44503

PHONE: (330) 744-1708 • FAX: (330) 744-7522 • WEBSITE: [www.youngstownohio.gov](http://www.youngstownohio.gov)



### Home Overview: Recapture and Resale

The primary purpose of the Investment Partnerships Program (HOME) is to “expand the supply of decent, safe, sanitary, and affordable housing. When HOME funds are used for homebuyer activities, an affordability period is imposed. This requirement ensures that HOME funds are invested in activities that yield affordable housing over a long term period. The sale or transfer of ownership of the property may trigger the use of recapture or resale options available under the Code of Federal Regulations. The City of Youngstown Department of Community Planning and Economic Development Uses the attached CPD Notice for guidance on resale and recapture provisions requirements un the HOME Program.

## I. PURPOSE

The purpose of this Notice is to outline the basic requirements for resale and recapture provisions in HOME Investment Partnerships (HOME) program homebuyer projects. This Notice also provides HOME participating jurisdictions (PJs) with guidance concerning the contents of acceptable resale and recapture provisions for HOME homebuyer projects, and the consolidated planning requirements of these provisions. In addition, the Notice provides HUD Field Office staff with guidance concerning their review and approval of the resale and recapture requirements contained in PJs' consolidated plans.

## II. BACKGROUND

HOME is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act (HOME statute), as amended. HOME provides formula grants to States and localities, called PJs, in order to expand the supply of decent, safe, sanitary, and affordable housing available to low-income and very low-income residents. Eligible HOME-funded activities include the acquisition, construction or rehabilitation of rental or homeownership housing, homebuyer assistance, and tenant-based rental assistance.

PJ programs to assist homebuyers may include acquisition, rehabilitation, or new construction of single-family for-sale housing to individual low-income homebuyers. The HOME subsidy can be provided to the developer, the homebuyer, or both, and can be structured in a variety of ways, including low-interest, zero-interest, or deferred payment loans, grants, or interest rate subsidies.

Section 215 of the HOME statute establishes specific requirements that all HOME-assisted homebuyer housing must meet in order to qualify as affordable housing. Specifically, all HOME-assisted homebuyer housing must have an initial purchase price that does not exceed 95 percent of the median purchase price for the area, be the principal residence of an owner whose family qualifies as low-income at the time of purchase, and be subject to either resale or recapture provisions. The HOME statute states that resale provisions must limit subsequent purchase of the property to income-eligible families, provide the owner with a fair return on investment, including any improvements, and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The HOME statute also specifies that recapture provisions must recapture the HOME investment from available net proceeds in order to assist other HOME-eligible families. Each PJ must establish its resale and/or recapture provisions in writing and submit the provisions to HUD for approval.

## III. HOME BUYER REQUIREMENTS

The HOME-assisted homebuyer requirements set forth in Section 215 of the HOME statute are promulgated in the HOME rule found at 24 CFR Part 92. Specifically, 24 CFR 92.254, *Qualification as Affordable Housing: Homeownership*, states that in order for homeownership housing to qualify as affordable housing it must:

- Be single-family, modest housing,
- Be acquired by a low-income family as its principal residence, and
- Meet affordability requirements for a specific period of time as determined by the amount of assistance provided.

In addition, to ensure affordability, the PJ must impose either resale or recapture requirements on the housing. The HOME rule at §92.254(a)(5) establishes the resale and recapture requirements HOME PJs must use for all homebuyer activities. These provisions are imposed for the duration of the period of affordability on all HOME-assisted homebuyer projects through a written agreement with the homebuyer, and enforced via lien, deed restrictions, or covenants running with the land. The resale or recapture provisions are triggered by any transfer of title, either voluntary or involuntary, during the established HOME period of affordability.

A PJ undertaking HOME-assisted homebuyer activities, *including any projects funded with HOME program income*, must establish resale or recapture provisions that comply with HOME statutory and regulatory requirements and set forth the provisions in its consolidated plan. HUD must determine that the provisions are appropriate. The written resale and/or recapture provisions that a PJ submits in its Annual Action Plan must clearly describe the terms of the resale and/or recapture provisions, the specific circumstances under which these provisions will be used (if more than one set of provisions is described), and how the PJ will enforce the provisions. HUD reviews and approves the provisions as part of the consolidated plan's Annual Action Plan process.

States in particular may choose to include multiple provisions in their Annual Action Plan in order to address varying market and socioeconomic characteristics in different areas of the State. If a State includes multiple provisions in its Annual Action Plan, it must specify under what conditions each provision will be used. If a State adds or modifies its provisions following the submission of the Annual Action Plan, it must submit the new or revised provisions to the HUD Field Office for review and approval before using the provisions.

Provisions that fail to meet the requirements set forth in §92.254(a)(5) and this Notice will be disapproved by HUD, and a PJ's homebuyer program will not be allowed to proceed until acceptable provisions are submitted to and approved by HUD. Common reasons for disapproval of a PJ's resale or recapture provisions include the following:

- Provisions that are a hybrid of the resale and recapture requirements,
- Applying recapture requirements to projects that include only a development subsidy,
- Failing to clearly define what constitutes a fair return on investment, including provisions that tie fair return on investment to the sales price that a specific homebuyer is able to pay,
- Failing to clearly identify the population of low-income homebuyers the PJ will target when resale is triggered, and what is considered affordable to that population,
- Failing to limit recapture to the net proceeds available at sale, and

- Failing to enforce the affordability restrictions by imposing deed restrictions, covenants running with the land, or other similar mechanisms.

#### IV. PERIOD OF AFFORDABILITY

The HOME rule at §92.254(a)(4) establishes the period of affordability for all homebuyer housing. How a PJ calculates the amount of HOME assistance in each unit and therefore the applicable period of affordability varies depending on whether the unit is under resale or recapture provisions.

##### a. Period of Affordability Under Resale Provisions

Under resale, §92.254(a)(5)(i) of the HOME rule states that the period of affordability is based on the *total* amount of HOME funds invested in the housing. In other words, the total HOME funds expended for the unit determines the applicable affordability period. Any HOME program income used to assist the project is included when determining the period of affordability under a resale provision.

##### b. Period of Affordability Under Recapture Provisions

For HOME-assisted homebuyer units under the recapture option, the period of affordability is based upon the *direct HOME subsidy* provided to the homebuyer that enabled the homebuyer to purchase the unit. Any HOME program income used to provide direct assistance to the homebuyer is included when determining the period of affordability.

The following table outlines the required minimum affordability periods.

<b>If the total HOME investment (resale) or direct subsidy (recapture) in the unit is:</b>	<b>The period of affordability is:</b>
Under \$15,000	5 years
Between \$15,000 and \$40,000	10 years
Over \$40,000	15 years

#### V. RESALE PROVISIONS

The *HOME resale requirements* are established in the HOME rule at §92.254(a)(5)(i). Under HOME resale provisions, the PJ is required to ensure that, when a HOME-assisted homebuyer sells his or her property, either voluntarily or involuntarily, during the affordability period,

- 1) The property is sold to another low-income homebuyer who will use the property as his or her principal residence;
- 2) The original homebuyer receives a fair return on investment, (i.e., the homebuyer's downpayment plus capital improvements made to the house); and
- 3) The property is sold at a price that is "affordable to a reasonable range of low-income buyers."

*If a PJ only provides HOME assistance to develop the unit and HOME funds are not used to lower the purchase price from fair market value to an affordable price, resale provisions must be used.*

The resale option is typically used in areas with predominantly high home sales prices, areas subject to rapidly appreciating housing costs, areas with a shortage of affordable homes for sale and no available land to build new homes, and areas where affordability will not be preserved through the unrestricted sale of the unit.

#### **a. Ensuring Long term Affordability**

The HOME rule at §92.254(a)(3) requires that all HOME-assisted homebuyer housing be acquired by an eligible low-income family, and the housing must be the principal residence of the family throughout the period of affordability. If the housing is transferred, voluntarily or otherwise, during the period of affordability, it must be made available for subsequent purchase *only* to a buyer whose family qualifies as low-income, and will use the property as its principal residence. The HOME resale provisions must enforce these requirements as any housing assisted with HOME funds must remain affordable for the duration of the period of affordability.

#### **b. Fair Return on Investment**

The PJ's resale requirements must ensure that, if the property is sold during the period of affordability, the price at resale provides the original HOME-assisted homebuyer a fair return on investment (including the original homebuyer's initial investment and any capital improvement). The PJ must define *fair return on investment* and include this definition in its resale provisions in its Annual Action Plan.

PJs have flexibility in defining fair return on investment; however, the PJ must ensure that the definition is both clear and objective so the original HOME-assisted homebuyer understands how his or her investment and any return on that investment may be determined at the time of sale. *A PJ must determine the original homebuyer's fair return on investment based on an objective standard or index that is publicly accessible and can be easily measured at the time of original purchase and at resale.* For example, the PJ may measure the percentage change in median sales prices over the period of ownership, the percentage change in the Consumer Price Index (CPI) over the period of ownership, or some other reasonable index. In determining the standard or index it selects, PJs should keep in mind that an index directly related to real estate prices in the area will simplify the resale approach by taking both market appreciation and depreciation into account. PJs *may not* tie fair return on investment to the sales price that a specific, subsequent

homebuyer is able to pay. This does not constitute a fair return because the return is not based on an objective standard.

A PJ must also describe the basis to which the fair return standard or index will apply. The basis for calculating fair return includes 1) the HOME-assisted homebuyer's original investment (i.e., any down payment), plus 2) the specific types of capital improvements made by the original homebuyer that may add value to the property. Accordingly, when discussing fair return on investment, the PJ must broadly describe what types of capital improvements it will include in the basis for calculating fair return. It must also broadly discuss how it will value any capital improvements. The value of capital improvement can be based on the actual costs of the improvements as documented by the homeowner's receipts, or on the average increase in value a specific type of improvement brings at sale (e.g., nationally, a kitchen remodel increases a home's value by sixty percent of the cost of the improvement).

While a detailed discussion of what constitutes a capital improvement and how the PJ will value the improvement is not required in resale provisions in the Annual Action Plan, the PJ's homebuyer program design should specifically outline how it will value capital improvements, and include a comprehensive description of what will constitute a capital improvement for purposes of determining fair return.

A PJ provides HOME funds for the construction of a single-family homebuyer unit. The homebuyer provides \$5,000 for a downpayment. The PJ uses the average change in the Consumer Price Index over the period of ownership as its standard index for fair return on investment.

The original homebuyer decides to sell his home during the period of affordability and is able to sell the home at a price that permits the original homebuyer to realize a full return on his investment as defined in the PJ's resale provisions.

In the past year, the original homebuyer undertook a \$9,000 kitchen renovation. The PJ has determined that the average change in the Consumer Price Index over the original homebuyer's period of ownership is 3.5 percent. The original homebuyer's initial downpayment investment of \$5,000 plus the kitchen improvements, valued at \$9,000, would result in a fair return of \$490. Total return at sale, assuming the price at sale permits the original homebuyer to realize a full return on his investment, would include the original homebuyer's initial investment of \$5,000, plus the \$9,000 investment in capital improvements, plus a \$490 fair return on both of those investments.

$$(\$5,000 + \$9,000) \times 3.5\% = \$490 \text{ fair return on initial and capital investments}$$
$$\$5,000 + \$9,000 + \$490 = \$14,490 \text{ total return to the original homebuyer at sale}$$

It is important to note that in certain circumstances, such as a declining housing market where home values are depreciating, the original homebuyer may not receive a return on his or her investment because the home sold for less or the same price as the original purchase price.

A homebuyer put a \$5,000 downpayment on a \$150,000 home. One year later he invested \$9,000 in kitchen improvements. The original homebuyer decides to sell the home three years later. Assuming the PJ used a 3.5 percent increase in the consumer price index to calculate fair return, the original homebuyer would be expected to receive a \$490 return on his investment (see example immediately above).

Since the original homebuyer purchased the home four years ago, the local housing market declined significantly. The fair market value of his home is now \$140,000. Because there is a \$10,000 loss on the sale, it is not possible to provide the original homebuyer's \$490 fair return on his investment, or return any portion of his \$14,000 investment.

### c. Continued Affordability

In addition to ensuring that the HOME-assisted homebuyer receives a fair return on his or her investment, the PJ's resale requirements must ensure that the housing under a resale provision will remain affordable to a reasonable range of low-income homebuyers. The PJ must define *affordable to a reasonable range of low-income homebuyers* and include this definition in the description of its resale requirements in its Annual Action Plan.

When defining *affordable to a reasonable range of low-income homebuyers*, a PJ must identify:

1. The population of low-income homebuyers it will target for subsequent purchase of the unit, and
2. What is affordable for that population.

When defining what constitutes "a reasonable range of low-income homebuyers," the PJ must identify a specific target population most appropriate for homeownership. For example, while the HOME rule defines low-income as a family at or below 80 percent of area median income, a PJ's definition of a reasonable range of low-income homebuyers may specify that families between 70 and 80 percent of area median income are an appropriate target population for homeownership.

Affordability may be defined a number of ways; however most PJs state that affordability is measured as a percentage of the homebuyer's income that must be spent on the fixed costs of owning a home: principal, interest, property taxes, and insurance (PITI). For example, many PJs use a standard of roughly 30 percent as a maximum percentage of income that a household should dedicate to housing costs. Consequently using the example provided above, what is *affordable to a reasonable range of low-income homebuyers* would be defined as a family at 70

to 80 percent of area median income paying no more than 30 percent of income for principal, interest, property taxes, and insurance.

To ensure that a property remains affordable to a reasonable range of low-income homebuyers, a PJ must establish a maximum resale price that its target population can afford. For example, if the fair market value of a HOME-assisted homebuyer property is more than what the PJ's defined range of low-income homebuyers can afford, the PJ must set a resale price that provides a fair return to the original homebuyer while ensuring that the property is affordable to its target population. In some instances, it may be necessary for a PJ to provide HOME assistance to the subsequent homebuyer to ensure that the original homebuyer receives a fair return and the unit is affordable to the defined low-income population. A PJ cannot require that the resale price be set based upon what is affordable to a *specific* homebuyer.

#### **d. Presumption of Affordability**

In certain neighborhoods, housing can be presumed to provide a fair return to an original homebuyer upon sale, to be available and affordable to a reasonable range of low-income homebuyers, and to serve as the primary residence of a low-income family during the period of affordability. In such cases, the PJ does not need to impose resale restrictions because the characteristics of the neighborhood make it probable that these requirements will be met without the imposition of the restrictions. Instead, §92.254(a)(5)(i)(B) of the HOME rule states that the PJ may identify certain neighborhoods with housing and income conditions that will:

- 1) Provide ongoing affordable home prices,
- 2) Ensure that the sales price of a home will provide a fair return to the original homebuyer, and
- 3) Provide a pool of income-eligible homebuyers from the residents of the neighborhood.

A presumption of affordability will allow a PJ to meet the HOME resale requirements without the imposition of specific enforcement mechanisms. PJs can also perform a combined market analysis for a limited number of contiguous neighborhoods that are similarly situated with respect to demographic profile, housing market, and economic conditions

A PJ that wishes to obtain a presumption of affordability must complete a market analysis of the neighborhood in which the housing is located, and submit the analysis for HUD review and approval. The market analysis must include an evaluation of the location and characteristics of the housing and residents in the neighborhood, including:

- 1) Sale prices,
- 2) Age and amenities of the housing stock,
- 3) Incomes of residents, and
- 4) Percentage of owner-occupants.

The PJ must compare these neighborhood-specific data to the housing conditions and incomes in the larger housing market area. Using an average period of affordability based on its expected investment per unit (e.g., 5, 10 or 15 years), the PJ must analyze the current and projected incomes of neighborhood residents and determine that such data supports the conclusion that a reasonable range of low-income families will continue to qualify for mortgage financing. An analysis of housing data must support the conclusion that home values are affordable, and will continue to be affordable, for the same average period of affordability.

If the PJ continues to provide homeownership assistance for housing in the neighborhood without the imposition of resale restrictions, it must annually verify that conditions have not changed. Every three to five years it must undertake a new market analysis to ensure that it is still reasonable to presume continued affordability.

## VI. RECAPTURE PROVISIONS

The HOME recapture provisions are established at §92.253(a)(5)(ii), and unlike the resale approach, permit the original homebuyer to sell the property to any willing buyer during the period of affordability while the PJ is able to recapture all or a portion of the HOME-assistance provided to the original homebuyer.

Two key concepts in the recapture requirements – *direct subsidy to the homebuyer* and *net proceeds* – must be understood in order to determine the amount of HOME assistance subject to recapture, and the applicable period of affordability on the unit. The recapture approach requires that all or a portion of the *direct subsidy* provided to the homebuyer be recaptured from the *net proceeds* of the sale.

**Direct HOME subsidy** is the amount of HOME assistance, *including any program income*, that enabled the homebuyer to buy the unit. The direct subsidy includes downpayment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer. In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing a property and the unit is sold below fair market value the difference between the fair market value and the purchase price is considered to be directly attributable to the HOME subsidy.

**Net proceeds** are defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. Under no circumstances can the PJ recapture more than is available from the net proceeds of the sale.

*Recapture provisions cannot be used when a project receives only a development subsidy and is sold at fair market value, because there is no direct HOME subsidy to recapture from the homebuyer. Instead, resale provisions must be used.*

The recapture option is used by most PJs because it is generally easier to administer than the resale option. The recapture option works well when the sale of the property will most likely preserve affordability without the imposition of resale restrictions. PJs can

**a. Long Term Affordability**

Under recapture, there is no requirement that the original HOME-assisted homebuyer sell the unit to another low-income homebuyer. Instead, if the homebuyer transfers the property either voluntarily or involuntarily during the period of affordability, the PJ recovers, from available net proceeds, all or a portion of the HOME assistance to the homebuyers.

## **b. Acceptable Recapture Models**

The four basic recapture options are described in the HOME rule and discussed below. However, a PJ should structure its recapture provisions based on its program design and market conditions. In most cases, PJs have adopted a variation of the recapture options presented in the HOME rule. Such variations typically address how the PJ will share any appreciation in the value of HOME-assisted housing with the homebuyer, including:

- PJ retains all appreciation,
- PJ allows the homebuyer to retain all appreciation, or
- PJ shares the appreciation with the homebuyer.

For example, many PJs have developed recapture provisions that reduce, on a pro rata basis, the amount of direct HOME subsidy due at sale, and combine it with additional provisions that will account for market appreciation of the housing, with the PJ and the homebuyer sharing any appreciation.

### ***1. PJ Recaptures Entire Direct HOME Subsidy***

In this option, the PJ recaptures the entire amount of the direct HOME subsidy provided to the homebuyer before the homebuyer receives a return. The PJ's recapture amount is limited to the net proceeds available from the sale.

A homebuyer receives \$10,000 of HOME downpayment assistance to purchase a home. The direct HOME subsidy to the homebuyer is \$10,000, which results in a five-year period of affordability. If the homebuyer sells the home after three years, the PJ would recapture, assuming that there are sufficient net proceeds, the entire \$10,000 direct HOME subsidy. The homebuyer would receive any net proceeds in excess of \$10,000.

In some cases, such as declining housing markets, the net proceeds available at the time of sale may be insufficient to recapture the entire direct HOME subsidy provided to the homebuyer. Since the HOME rule limits recapture to available net proceeds, the PJ can only recapture what is available from net proceeds. If a PJ's recapture provisions state that it will recapture the entire direct HOME subsidy and there are insufficient net proceeds available at sale, the PJ is not required to repay the difference between the total direct HOME subsidy and the amount the PJ is able to recapture from available from net proceeds.

### ***2. Reduction During Affordability Period***

The PJ may chose to reduce the amount of direct HOME subsidy on a pro-rata basis for the time the homebuyer has owned and occupied the housing, measured against the required affordability period. The resulting ratio would be used to determine how much of the direct

HOME subsidy the PJ would recapture. The pro rata amount recaptured by the PJ cannot exceed what is available from net proceeds.

- To determine the pro rata amount recaptured by the PJ:
  - Divide the number of years the homebuyer occupied the home by the period of affordability,
  - Multiply the resulting figure by the total amount of direct HOME subsidy originally provided to the homebuyer.

$$\frac{\text{Number of years homebuyer occupied the home}}{\text{Period of affordability}} \times \text{Total direct HOME subsidy} = \text{Recapture Amount}$$

If a PJ's recapture provisions state that it will recapture a prorated portion of the direct HOME subsidy and there are insufficient net proceeds available at sale to recapture the full pro rata amount due, the PJ is not required to repay the difference between the prorated direct HOME subsidy due and the amount the PJ is able to recapture from available from net proceeds.

A homebuyer receives \$10,000 of HOME downpayment assistance and purchases a home developed with HOME funds for \$10,000 below fair market value. The total direct HOME subsidy to the homebuyer is \$20,000 and requires a 10-year period of affordability. If the homebuyer sells the unit in year 5 of the 10-year period of affordability, the PJ would *forgive* 50 percent of the direct HOME subsidy and *recapture* 50 percent of the direct HOME subsidy, or \$10,000 of the \$20,000 HOME investment, assuming that there are sufficient net proceeds available.

$$\frac{\text{Owner resided in home for 5 years}}{\text{10-year period of affordability}} \times \$20,000 \text{ HOME investment} = \$10,000 \text{ recaptured}$$

### 3. *Owner Investment Returned First*

In this approach, the PJ permits the homebuyer to recover their entire investment (downpayment and capital improvements made by the owner since purchase) before recapturing the HOME investment.

If net proceeds are insufficient, the homebuyer may not receive their entire investment back, or the PJ may not be able to recapture the full amount due under the recapture agreements from the net proceeds available. In instances where there are insufficient net proceeds to recapture the amount due, the PJ is not responsible for repaying the difference between the amount of direct HOME subsidy due and the recaptured amount available from net proceeds.

A homebuyer receives \$5,000 in HOME downpayment assistance and provides \$5,000 of his or her own funds for down payment. After purchasing the home the homebuyer invests \$2,000 for capital improvements to the property. Two years into the 5 year period of affordability, the homebuyer decides to sell the home. The PJ's recapture provisions allow the HOME-assisted homebuyer to recover, from net proceeds, his or her entire investment in the property before the PJ recaptures any HOME subsidy. The net proceeds from the sale total \$10,000. The homebuyer recovers his or her \$7,000 investment (down payment plus capital improvements) from the net proceeds of the sale. The PJ is only able to recapture, from the remaining net proceeds, \$3,000 of its original \$5,000 investment. The PJ is not responsible for repaying the \$2,000 difference between the recapture amount due and what is available from net proceeds.

#### 4. Shared Net Proceeds

In this option, the HOME rule states that if the net proceeds are not sufficient to recapture the entire HOME investment or a reduced amount as described above, plus enable the homebuyer to recover the amount of the downpayment and any investment in the form of capital improvements made by the homebuyer since purchase, the PJ may share the net proceeds. In practice, this approach has been the most widely used model and has been applied to all recapture situations, not just insufficient net proceeds. Shared net proceeds, in combination with the pro rata reduction over time, is the most commonly used approach.

- To calculate the amount of net proceeds (or shared appreciation) to be returned to the PJ:
  - Divide direct HOME subsidy by the sum of the direct HOME subsidy and the homebuyer's investment,
  - Multiply by the net proceeds to calculate the amount of HOME investment to return to the PJ.

$$\frac{\text{Direct HOME Subsidy}}{\text{Direct HOME Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Recapture}$$

- To calculate the amount of net proceeds (or shared appreciation) available to the homebuyer:
  - Divide the homebuyer's investment by the sum of the direct HOME subsidy and the homebuyer's investment,
  - Multiply by the net proceeds to calculate the amount of homebuyer investment to return to the homebuyer.

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{Amount to Homebuyer}$$

A homebuyer received \$10,000 in HOME downpayment assistance and provided \$2,000 of her own funds for the downpayment. She also invested another \$3,000 on capital improvements to the property. She is selling the home after two years. The PJ structured its recapture provisions to share the net proceeds between the HOME-assisted homebuyer and the PJ. In this example, the net proceeds of the sale are \$5,000. Using the two formulas set forth above, the amount of the net proceeds to be recaptured by the PJ is \$3,333.

$$\frac{\$10,000}{(\$10,000 + \$5,000)} \times \$5,000 = \$3,333$$

The amount of the net proceeds to be recovered by the homebuyer is \$1,667.

$$\frac{\$5,000}{(\$10,000 + \$5,000)} \times \$5,000 = \$1,667$$

## VII. IMPOSING RESALE AND RECAPTURE PROVISIONS

Compliance with resale and recapture provisions is not only required by statute and regulation, but it is also vital to operating a successful homebuyer program. PJs are responsible for ensuring that homebuyers maintain the housing as their principal residence for the duration of the applicable affordability period. If the home is sold during the period of affordability, the PJ must be notified of the sale, and the applicable resale or recapture provisions must be employed. Consequently, it is important that PJs use effective enforcement mechanisms to secure the resale and recapture requirements on specific HOME-assisted properties. It is also important that the PJ understands its repayment obligations in the event of noncompliance, whether voluntary or involuntary. Finally, PJs should be aware that ongoing monitoring will help ensure that HOME-assisted homebuyer projects qualify as affordable housing for the duration of the affordability period.

### a. Written Agreements

Regardless of whether a PJ uses resale or recapture, it must execute a HOME written agreement that accurately reflects the resale or recapture provisions with the homebuyer before or at the time of sale. A clear, detailed written agreement ensures that all parties are aware of the specific HOME requirements applicable to the unit (i.e., period or affordability, principal residency requirement, terms and conditions of either the resale or recapture requirement), and helps the PJ enforce those requirements. When making revisions to the resale or recapture provisions in its Annual Action Plan submission, PJs must ensure that all homebuyer written agreements are modified to reflect any changes. The written agreement creates a legal obligation for the PJ. Consequently, if the PJ modifies its resale or recapture provisions in its Annual Action Plan submission but does not make similar changes to its written agreement, the resale or recapture provisions in the written agreement prevail. *The HOME written agreement must be a separate legal document from any loan instrument and must, at a minimum, comply with the*

*requirements at §92.504(c)(5) of the HOME rule.* If the PJ provides HOME funds to a subrecipient, State recipient or CHDO to develop and sell affordable housing, the PJ must prepare and execute the agreement with the buyer, or be a party to the agreement along with the entity it funded. In all instances, the PJ is responsible for ensuring that it can enforce the written agreement.

## **b. Enforcement Mechanisms**

### *1. Resale*

While mortgage and lien documents are used to secure repayment of the HOME subsidy, these documents are not sufficient to enforce the resale requirements. Except in instances of presumed affordability under §92.254(a)(5)(i)(B), separately recorded deed restrictions, covenants running with the land, or other similar mechanisms must be used to impose the resale requirements (§92.254(a)(5)(i)(A)) in HOME-assisted homebuyer projects under the resale option. The purpose of these enforcement mechanisms is to secure and retain the affordable re-use of the property, while providing a fair return to the seller.

### *2. Recapture*

The written agreement between the homebuyer and the PJ, as well as mortgage and lien documents are typically used to impose the recapture requirements in HOME-assisted homebuyer projects under recapture provisions. The purpose of these enforcement mechanisms is to ensure that the PJ recaptures the direct subsidy to the HOME-assisted homebuyer if the HOME-assisted property is transferred. Unlike the resale option, deed restrictions, covenants running with the land, or other similar mechanisms are not required by the HOME rule to be used in homebuyer projects under the recapture option. However, many PJs choose to use these mechanisms for enforcing the affordability period and as notification of the transfer of the property.

## **c. Noncompliance**

Failure to comply with the resale or recapture requirements means that 1) the original HOME-assisted homebuyer no longer occupies the unit as his or her principal residence (i.e., unit is rented or vacant), or 2) the home was sold during the period of affordability and the applicable resale or recapture provisions were not enforced. If this noncompliance occurs, the PJ, as the entity responsible for the day-to-day operations of its HOME program, must repay its HOME Investment Trust Fund with non-Federal funds. How much of the original HOME investment must be repaid is dependent on the PJ's program design and use of funds.

In cases of noncompliance under either resale or recapture provisions, the PJ must repay to the HOME Investment Trust Fund in accordance with §92.503(b), any *outstanding HOME funds* invested in the housing. The amount subject to repayment is the total amount of HOME funds invested in the housing (i.e., any HOME development subsidy to the developer plus any HOME downpayment or other assistance (e.g., closing costs) provided to the homebuyer) minus any

HOME funds already repaid (i.e., payment of principal on a HOME loan). Any interest paid on the loan is considered program income and cannot be counted against the outstanding HOME investment amount. *Note that noncompliance with principal residency requirements by a homebuyer under a recapture provision is not a transfer. Consequently, the amount the PJ must repay is not subject to prorated or other reductions included in its recapture provisions.*

A PJ provided a \$20,000 HOME development subsidy as a grant to the developer, and the homebuyer received \$5,000 in downpayment assistance as a deferred forgivable loan. The recapture agreement provides for pro rata reduction of the direct subsidy over 5 years. If the homebuyer rents the property in year 3, he would be in noncompliance with the HOME principal residency requirement. The PJ would be required to repay the entire \$25,000 HOME investment – i.e., the \$20,000 development subsidy plus the balance on the homebuyer’s \$5,000 loan.

The PJ must repay the HOME investment in accordance with §92.503(b)(3) whether or not it is able to recover any portion of the HOME investment from the noncompliant homebuyer. Therefore, it is crucial for the PJ to have enforcement mechanisms in its written agreements with homebuyers to protect its investment and minimize its risk in HOME-assisted homebuyer projects in the event of noncompliance by the homebuyer.

#### **d. Foreclosure, Transfer in Lieu of Foreclosure, or Assignment to HUD**

In HOME-assisted homebuyer projects, the affordability restrictions imposed by deed restrictions, covenants running with the land, or other similar mechanisms may terminate upon foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The PJ may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. However, the affordability restrictions must be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

In addition, the termination of the affordability restrictions in the event of foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD, does not satisfy the requirement that the property remains qualified as affordable housing under §92.254 for the period of affordability. Consequently, the following rules apply to HOME-assisted homebuyer projects in the event of foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

##### *1. Resale*

For HOME-assisted homebuyer housing under a resale agreement, if the affordability is not preserved by a subsequent purchase at a reasonable price by a low-income homebuyer who will use the property as its principal residence, and who agrees to assume the remainder of the original affordability period, the PJ must repay the HOME investment.

## *2. Recapture*

Homebuyer housing with a recapture agreement is not subject to the affordability requirements after the PJ has recaptured the HOME funds in accordance with its written agreement. If the ownership of the housing is conveyed pursuant to a foreclosure or other involuntary sale, the PJ must attempt to recoup any net proceeds that may be available through the foreclosure sale. Because all recapture provisions must be limited to net proceeds, the PJ's repayment obligation is limited to the amount of the HOME subsidy, if any, that it is able to recover.

### **e. Refinancing**

PJs should have a written policy on refinancing of senior debt when the PJ will be asked to subordinate its interest. A written refinancing policy should specify the conditions under which the PJ agrees to subordinate to new debt in order to protect its interests and the interests of the homebuyer, as well as how such requests will be processed. Refinancing of senior debt should typically be limited to circumstances in which the original homebuyer is securing better terms that reduce monthly housing costs, or if sufficient equity exists, to take cash out for immediate property repairs or catastrophic expenses.

### **f. Investment of Additional HOME Funds**

The HOME rule at §92.254(a)(9) of the HOME rule provides PJs with the flexibility to invest additional HOME funds in homebuyer projects to preserve affordability. As noted above, when faced with foreclosure, PJs may use additional HOME funds to acquire the housing through a purchase option, right of first refusal, or other preemptive right to ensure affordability is preserved. PJs may also use HOME funds to rehabilitate any housing acquired through foreclosure. If the PJ charges such costs as eligible project costs in accordance with §92.206, the total amount of the original HOME investment, plus any additional HOME investment, cannot exceed the maximum per-unit subsidy limit in §92.250.

A PJ also has the option of charging acquisition, rehabilitation, and holding costs as a reasonable HOME administrative cost in accordance with §92.207 of the HOME rule. If the PJ charges these costs as reasonable administrative expenses, the investment of additional HOME funds is not subject to the maximum per-unit subsidy limit, and the PJ can reimburse its administrative account, in whole or in part, once the housing is sold to a new eligible homebuyer.

Additional HOME funds may also be used to provide assistance to another eligible homebuyer following either the PJ's acquisition of a foreclosed unit or a sale of a unit under resale or recapture provisions during the period of affordability. If a PJ provides HOME assistance to another eligible HOME buyer, the additional HOME investment must be treated as an amendment to the original project. Consequently, the additional HOME investment may extend the original period of affordability. For example, if the original HOME investment was \$10,000 and resulted in a five year period of affordability, the addition of another \$10,000 to a subsequent homebuyer would extend the period of affordability to ten years. As noted above,

the original HOME investment plus any additional HOME investment cannot exceed the maximum per unit subsidy since the cost of assisting a subsequent homebuyer is a project-specific cost.

**g. Ongoing monitoring**

For HOME-assisted homebuyer projects under resale or recapture agreements, HUD strongly recommended that PJs perform ongoing monitoring of the principal residency requirement during the period of affordability. Ultimately, it is the PJ's responsibility to ensure that the HOME-assisted housing qualifies as affordable housing under §92.254 during the period of affordability.

Confirmation that the buyer is using the property as his or her principal residence can often be accomplished by verifying that the buyer's name appears on utility company records or insurance company records for the home. In addition, postcard or letters mailed with "do not forward" instructions can demonstrate whether the buyer is receiving mail at the home.

## VIII. CONSOLIDATED PLAN REQUIREMENTS

**a. Regulatory Requirements**

The consolidated plan regulations at 24 CFR Part 91 set forth the requirements for state and local HOME PJs' consolidated plans and Annual Action Plans. The HOME-specific requirements of the Annual Action Plan are described at §91.220(1)(2) for local PJs and §91.320(k)(2) for states. A local PJ or state, under §91.220(1)(2)(ii) and §91.320(k)(2)(ii) respectively, that will use HOME funds to assist homebuyers, must state in its Annual Action Plan the guidelines for resale and/or recapture, as required in §92.254(a)(5) of the HOME rule.

In addition, §92.254(a)(5) of the HOME rule states, "*the PJ must establish the resale or recapture requirements that comply with the standards of this section and set forth the requirements in its consolidated plan. HUD must determine that they are appropriate.*"

Accordingly, Field Offices must review each PJ's resale and/or recapture requirements to ensure that they meet the HOME requirements. PJs may not use any funds for homebuyer assistance until the Field Office makes the determination and approves the provisions. If the PJ will use both resale and recapture provisions for different projects or programs, it must explain, in its plan, how it will determine which provisions will be used in each case. PJs are strongly encouraged to review the attached checklist to ensure that their resale and recapture provisions satisfy the conditions for HUD approval.

## IX. FIELD OFFICE REVIEW OF RESALE/RECAPTURE PROVISIONS

During the Field Office review of each PJ's consolidated plan and Annual Action Plan, HUD must determine that the resale and/or recapture provisions employed by the PJ are appropriate

(§92.254(a)(5)). Field Office staff should use the following checklist to assist in the review of the resale and/or recapture provisions submitted by PJs. PJs should use the checklists to determine if their provisions satisfy the HOME requirements.

Questions with a “No” response may indicate the PJ has not met the requirements of §91.220(l)(2)(ii) or §91.320(k)(2)(ii) and §92.254(a)(5). If Field Office staff identify issues with a PJ’s Annual Action Plan submission, it must contact the PJ and ask that it revise and resubmit the resale and/or recapture provisions before the end of the 45-day Annual Action Plan review period. If the PJ is unable to comply by resubmitting acceptable resale and/or recapture provisions within the 45-day timeframe, the Field Office must inform the PJ, in writing in the Annual Action Plan approval letter, that the PJ cannot use any HOME funds for homebuyer assistance until it has submitted and HUD has approved the resale and/or recapture provisions to be used.

Appendix A – HOME Resale and Recapture Summary

## HOME Resale and Recapture Summary

Scenario	Amount Owed Back to HOME Account	Income to PJ Considered	HOME Requirement Discussion	Examples
<b>• Recapture</b>				
Owner remains in unit and repays HOME mortgage principal and interest to PJ over time	Periodic loan payments— Receive the program income (PI) in IDIS	Program income	None	<ul style="list-style-type: none"> <li>• Homebuyer gets \$20,000 HOME loan from PJ. Owner repays \$200 per month in principal plus interest to PJ.</li> <li>• Monthly \$200 is program income</li> </ul>
Owner remains in unit but elects to pay off outstanding balance of HOME loan	Loan payoff—Receive the PI in IDIS	Program income	The repayment of the HOME loan does not terminate the affordability period. The period remains in effect for written agreement timeframe unless the unit is sold. Significant impacts of this are principal residence requirement and shared appreciation at sale (if this option is chosen by PJ).	<ul style="list-style-type: none"> <li>• Homebuyer gets \$18,000 HOME loan from PJ. In year 3, owner decides to pay off existing loan balance and pays \$15,000 to PJ to pay off the HOME loan.</li> <li>• \$15,000 is program income</li> <li>• Owner is still subject to principal residence and if the PJ stipulated it in its original agreement with the buyer, any net proceeds agreement for shared appreciation until the 10 year affordability period is complete.</li> </ul>
Owner does not sell but moves out and fails to occupy as principal residence during the afford period (subleases the home)—assumes that the owner does not return to the unit or sell it	Total outstanding HOME investment. This is HOME investment minus HOME principal payments received from owner to date.  Repayment process involves wiring funds back to HUD and/or paying by check (if less than \$2,000) and amending draws within IDIS.	Repaid funds	PJ must attempt to bring unit into compliance and enforce the HOME written agreement. First, the PJ should try to get the owner to reoccupy the unit. Second, if re-occupancy doesn't occur, the PJ must try to recoup the amount owed back by the owner. The PJ must have a clause in its HOME written agreement that states repayment is triggered if the principal residency requirement. If the PJ does not, they are unlikely unable to enforce the principal residence requirement and the PJ itself may have to repay the outstanding HOME investment (in essence it becomes an ineligible project).	<ul style="list-style-type: none"> <li>• Homebuyer gets \$16,000 HOME forgivable loan from PJ. \$1600 is forgiven for each year of occupancy. In year 8, owner moves out and rents the home.</li> <li>• Of the \$16,000 HOME loan, \$12,800 has already been forgiven (8X\$1600).</li> <li>• However, owner and/or PJ owes program back the whole \$16,000 in initial HOME investment since none has been repaid by owner to date.</li> <li>• If instead the loan was amortizing and the owner had already paid the PJ \$10,000 in HOME principal + interest, the PJ/owner would only owe \$6,000 back to the HOME account.</li> </ul>

## HOME Resale and Recapture Summary (cont'd)

Scenario	Amount Owed Back to HOME Account	Income to PJ Considered	HOME Requirement Discussion	Examples
<b>• Recapture</b>				
Owner voluntarily sells during affordability period	Net proceeds—Receipt process identical to PJ in IDIS	Recaptured funds	PJ must stipulate recapture approach, subject to net proceeds, in its agreement with buyer (PJ paid first, owner paid first, forgiveness over time, or proportional + shared appreciation option).	<ul style="list-style-type: none"> <li>• Homebuyer gets \$27,000 HOME loan from PJ. In year 5 owner decides to sell.</li> <li>• Outstanding HOME loan balance is \$22,000. Net proceeds are \$12,000.</li> <li>• Owner repayment to PJ capped at \$12,000</li> <li>• \$12,000 divided between PJ and owner according to PJ's selected net proceeds approach</li> </ul>
Unit is foreclosed and sold to another owner	Net proceeds—Receipt process identical to PJ in IDIS	Recaptured funds	PJ must stipulate recapture approach, subject to net proceeds, in its agreement with buyer (PJ paid first, owner paid first, forgiveness over time, or proportional + shared appreciation option).	<ul style="list-style-type: none"> <li>• Homebuyer gets \$32,000 HOME loan from PJ. In year 8, private lender forecloses and home is sold.</li> <li>• Outstanding HOME loan balance is \$28,000. After bank is paid at foreclosure, remaining net proceeds are \$2,000.</li> <li>• PJ gets \$2,000 in net proceeds and no additional money is owed</li> </ul>

## HOME Resale and Recapture Summary (cont'd)

Scenario	Amount Owed Back to HOME Account	Income to PJ Considered	HOME Requirement Discussion	Examples
<p><b>Resale</b></p> <p>Owner remains in unit and repays HOME mortgage principal and interest to PJ over time</p>	<p>Periodic loan payments—Receipt the PI in IDIS</p>	<p>Program income</p>	<p>None</p>	<ul style="list-style-type: none"> <li>• Homebuyer gets \$20,000 HOME loan from PJ. Owner repays \$200 per month in principal plus interest to PJ.</li> <li>• Monthly \$200 is program income</li> </ul>
<p>Owner remains in unit but elects to pay off outstanding balance of HOME loan</p>	<p>Loan payoff—Receipt the PI in IDIS</p>	<p>Program income</p>	<p>The repayment of the HOME loan does not terminate the affordability period. The resale provision stays in place including the entire affordability period remains in effect and the principal residency requirement, as initially determined by the PJ based on the amount of HOME investment in the unit.</p>	<ul style="list-style-type: none"> <li>• Homebuyer gets \$18,000 HOME loan from PJ. In year 3, owner decides to pay off existing loan balance and pays \$15,000 to PJ to pay off the HOME loan.</li> <li>• \$15,000 is program income</li> <li>• Owner is still subject to principal residence and at the time of sale if during the affordability period, must sell to another low income buyer at an affordable price</li> </ul>
<p>Owner does not sell but moves out and fails to occupy the unit as its principal residence during the afford period (subleases the home)—assumes that the owner does not return to the unit or sell it</p>	<p>Total outstanding HOME investment. This is initial HOME investment minus HOME loan principal payments received to PJ from owner or developer to date, if any.</p> <p>Repayment process involves wiring funds back to HUD and/or paying by check (if less than \$2,000) and amending draws within IDIS.</p>	<p>Repaid funds</p>	<p>PJ must attempt to bring unit into compliance (enforce the HOME written agreement). First, the PJ should try to get the owner to reoccupy the unit. Second, if re-occupancy doesn't occur, the PJ must try to recoup the amount owed back by the owner. The type of income these funds would be depends on whether owner received a HOME loan or if financing was only provided to developer. If owner received a HOME loan, the PJ should include language about principal residence and owing money back to the PJ for noncompliance. Amount owed back for noncompliance would then be the HOME loan minus any program income (PI) received to date. If construction financing was provided to a developer it is unlikely that the homebuyer has repaid any PI to the PJ. However, the PJ's or developer's agreement with the owner must still specify the resale requirements, including principal residence requirement, and should specify penalties for noncompliance. If the developer has repaid the HOME construction loan to the PJ, that PI would be counted toward the amount owed back to the program for the noncompliant unit.</p>	<ul style="list-style-type: none"> <li>• CHDO gets \$70,000 construction loan from PJ. The CHDO pays back \$50,000 of this initial investment once construction is done and unit is sold to homebuyer.</li> <li>• In year 8, the owner moves out and rents the home (but does not sell).</li> <li>• Owner and/or PJ owes program back the \$20,000 remaining from the initial HOME investment (\$70,000 - \$50,000), depending on the written agreement and its enforceability.</li> <li>• If the PJ had allowed the CHDO to keep the funds earned from the initial sale as CHDO proceeds and none was repaid to the PJ (no \$50,000 payment), the PJ and/or owner would owe the program the full \$70,000 initial HOME investment for the noncompliant unit.</li> </ul>

## HOME Resale and Recapture Summary (cont'd)

Scenario	Amount Owed Back to HOME Account	Income to PJ Considered	HOME Requirement Discussion	Examples
<b>Resale</b>				
Owner voluntarily sells during affordability period	Loan payoff, if any—Receipt the PI in DIS	Program income	None	<ul style="list-style-type: none"> <li>• Homebuyer gets \$27,000 HOME loan from PJ. In year 5 owner decides to sell.</li> <li>• Outstanding HOME loan balance is \$22,000.</li> <li>• Owner repays the \$22,000 to the PJ and sells to another low income buyer at affordable price.</li> </ul>
Unit is foreclosed and sold to another owner	Answer depends on what happens under foreclosure: If affordability period survives foreclosure and unit is sold to another low income buyer at afford price, no repayment is required unless the household has an outstanding HOME loan. Depending on the home's value and foreclosure sale price, the PJ may get some repayment for that HOME loan. If the affordability period does not survive, PJ owes total outstanding HOME investment. This is initial HOME investment minus program income (loan principal payments—not interest) received to PJ from owner or developer to date, if any.	Program income if unit affordability period survives foreclosure and some of the outstanding HOME loan is repaid through foreclosure sale Repaid funds if affordability period is terminated	None	<ul style="list-style-type: none"> <li>• CHDO gets \$40,000 construction loan from PJ. They repay back \$30,000 of this loan to the PJ. The owner also gets \$15,000 in a HOME downpayment assistance grant.</li> <li>• In year 6, the owner defaults and lender forecloses and the affordability period is wiped out. The home is sold on the open market.</li> <li>• Owner and/or PJ owes program back the \$15,000 downpayment, depending on the written agreement and its enforceability.</li> <li>• The PJ and/or CHDO also owes the \$10,000 of initial investment it did not get earn back as PJ</li> <li>• In total \$25,000 is owed back to the PJ's HOME account, either from the owner (unlikely in this scenario), CHDO or PJ itself (\$10,000 plus \$15,000).</li> </ul>

# Emergency Solutions Grant Policies and Procedures

# CITY OF YOUNGSTOWN

## MAYOR JAMAE TITO BROWN



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### DEPARTMENT OF COMMUNITY PLANNING AND ECONOMIC DEVELOPMENT

NIKKI POSTERLI, DIRECTOR

26 S. PHELPS STREET • 4<sup>TH</sup> FLOOR • YOUNGSTOWN, OHIO 44503

PHONE: (330) 744-1708 • FAX: (330) 744-7522 • WEBSITE: [www.youngstownohio.gov](http://www.youngstownohio.gov)



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## EMERGENCY SOLUTIONS GRANT POLICIES AND PROCEDURES

Standard policies and procedures for evaluating individuals' and families' eligibility for assistance under Emergency Solutions Grant (ESG).

The Hearth Act includes new definitions for *At Risk of Homelessness* and *Homelessness* as they pertain to the Emergency Solutions Grants program. Complete definitions are found at 576.2 Definitions.

Sub-recipients must implement written agency policies and procedures to determine client eligibility based on being *At Risk of Homelessness* or *Homeless* as defined by HUD. In addition, sub-recipient policies and procedures must identify acceptable forms of documentation as defined by HUD at 576.500 to accurately document individuals' or families' eligibility for ESG assistance. Sub-recipient policies and procedures must be established in writing and implemented by the sub-recipient to ensure that ESG funds are used in accordance with the requirements. In addition, sufficient records must be established and maintained to enable KHC and HUD to determine whether ESG requirements are being met.

***Homeless status.*** Sub-recipients must maintain and follow written intake procedures to ensure compliance with the homeless definition in 576.2. The procedures must require documentation at intake of the evidence relied upon to establish and verify homeless status. The procedures

must establish the order of priority for obtaining evidence as third-party documentation first, intake worker observations second, and certification from the person seeking assistance third.

***At Risk of Homeless status.*** For each individual or family who receives ESG Homelessness Prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family's "at risk of homelessness" status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the sub-recipient.

b. Policies and procedure for coordination among emergency shelter providers, essential service providers, homelessness prevention and rapid re-housing assistance providers, other homeless assistance providers, and mainstream service and housing providers.

As part of the program requirements in implementing the Emergency Solutions Grants, sub-recipients must develop, when applicable, policies and procedures for coordination in order to ensure that emergency shelter providers, essential service providers, homeless prevention and rapid re-housing assistance providers along with other homeless assistance providers and mainstream service and housing providers are coordinating their activities with the objective of assisting individuals experiencing housing crisis and/or homelessness to quickly regain stability in permanent housing. To comply with the program requirements as defined by HUD at 576.400, sub-recipients must establish written policies and procedures for effective coordination.

Consultation. Sub-recipients must demonstrate through a written document approved by the Continuum of Care (COC) that the award is allocated according to the COC established priorities and policies (percentage use for clients' stabilization needs, percentage use for staff salaries, etc.). In addition, to demonstrate program performance, the sub-recipient must provide regular reporting through HMIS (or a comparable database for qualifying sub-recipients).

Coordination with other targeted homeless services. Sub-recipients must coordinate with existing homeless services providers and demonstrate to the maximum extent practicable that there is a written process for facilitating client access to other homeless programs as indicated in section 576.400 – b and c. The process must include the establishment of a coordinated assessment at intake that allows rapid referrals.

System and program coordination with mainstream resources. Sub-recipients must establish a coordinated case plan that includes client goals and measurable outcomes. Coordination will also include a needs assessment plan along with a mainstream service eligibility and access plan with existing programs that target youth, individuals, and families at risk of homelessness.

Centralized or Coordinated Assessment. Sub-recipients must align the determination of eligibility based upon the definitions of "At risk of Homelessness or Homeless" as established by HUD (576.2). Any assessment, including screening and/or referral process must be:

- Consistent - All assessment, screening and referral protocols are clearly delineated by the COC and reprinted in the grant agreement to ensure that it is binding. Sub-recipients will be trained on intake and screening policies before any grant execution.

- Accurate - To ensure accuracy of needs assessment, sub-recipients must demonstrate as much as possible that the assessment process is coordinated with other targeted homeless service providers.

As best practice, sub-recipients are encouraged to secure and have on file a Memorandum of Understanding with targeted homeless service providers.

For the purposes of privacy and safety, victim service providers may choose not to use the centralized or coordinated assessment system.

To ensure consistency in aiding, each sub-recipient must follow the program component guidelines regarding:

- Compliance - All eligibility determination for individuals and families must be based upon HUD definition of At Risk of Homelessness or Homeless (576.2). All eligibility must be documented according to policies and procedures as defined and established by HUD at 576.500.
- Consistency - All intake processes including assessment, screening, and referrals must have been centralized or coordinated to ensure consistency and accuracy. Sub-recipients will document, and file all written coordinated assessments to comply with HUD requirements for area-
- Compliance - All eligibility determination for individuals and families must be based upon HUD definition of At Risk of Homelessness or Homeless (576.2). All eligibility must be documented according to policies and procedures as defined and established by HUD at 576.500.
- Consistency - All intake processes including assessment, screening, and referrals must have been centralized or coordinated to ensure consistency and accuracy. Sub-recipients will document, and file all written coordinated assessments to comply with HUD requirements for area-wide systems coordination (Section 576.400 - e).
- Long-term housing stabilization - All outreach, emergency shelter assistance, prevention and housing must ensure that eligible individuals or families have a plan for stabilization and a long-term housing solution. The case plan must be written and consistent with the COC's priorities along with a coordinated process that leads to quick transition to permanent housing. The plan will include:

Amount of rent (based upon the eligible individual or family income and must not exceed 30 percent of the household's monthly income)

Utility costs (based upon the frequency of assistance within a time frame established by existing policies)

Length of stay (for a quick transition to stable and permanent housing, wide systems coordination (Section 576.400 - e).

Long-term housing stabilization - All outreach, emergency shelter assistance, prevention and housing must ensure that eligible individuals or families have a plan for stabilization and a long-

term housing solution. The case plan must be written and consistent with the COC's priorities along with a coordinated process that leads to quick transition to permanent housing. The plan will include:

Amount of rent (based upon the eligible individual or family income and must not exceed 30 percent of the household's monthly income)

Utility costs (based upon the frequency of assistance within a time frame established by existing policies)

Length of stay (for a quick transition to stable and permanent housing, eligible individual or family must reside for the shortest possible period (but no more than 24 months) in a sheltered setting that includes both emergency and transitional housing)

Recertification and rent adjustments (to ensure long-term housing stabilization, eligible individual or family must demonstrate gained income at end of the stabilization phase; where applicable, eligible individual or family will secure public assistance benefits. Sub-recipient will implement agency policies and procedures to determine appropriate and consistent rental recertification and adjustments.

Habitability - As a best practice, the City recommends Housing Quality Standards (HQS) inspections. However, habitability inspection is required at a minimum. In addition, sub-recipients must ensure that available housing is safe and secure for households with special needs. Sub-recipients must comply with all federal requirements as defined in 576.403 Shelter and housing standards, as applicable.

HMIS – One hundred percent data accuracy and/or zero errors on all applicable report submissions. Accurate and complete Annual Performance Report. Quarterly Point-In-Time date bed coverage data, resulting in bed coverage that is above 65 percent and less than 105 percent as per HUD standards. Victim Service Provider will use comparable database and will produce unduplicated aggregate data.

Policies and procedures for determining and prioritizing which eligible families and individuals will receive homelessness prevention assistance and which eligible families and individuals will receive rapid re-housing assistance.

Sub-recipients must implement written policies and procedures for determining which individuals and families who qualify as at risk of homelessness can receive homelessness prevention assistance and which of those individuals and families should be prioritized for that assistance.

Homelessness Prevention Assistance. ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place described in paragraph (1) of the homeless definition in §576.2. This assistance, referred to as homelessness prevention, may be provided to individuals and families who meet the criteria under the at risk of homelessness definition, or who meet the criteria in paragraph (2), (3), or

(4) of the homeless definition in §576.2 and have an annual income below 30 percent of median family income for the area, as determined by HUD. Homelessness prevention should only be considered when the assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing.

Sub-recipients must implement policies and procedures to determine client eligibility based on the program participant meeting the homeless and/or at risk of homeless definitions at §576.2. In addition, the policies and procedures must outline how the subrecipient will determine the program participant's household income does not exceed 30 percent of median family income for the area as determined by HUD.

Sub-recipients must implement written policies and procedures to ensure that homelessness prevention assistance is necessary to help the program participant regain stability in the program participant's current permanent housing or move into other permanent housing and achieve stability in that housing. In the event that the sub-recipient determines that homelessness prevention assistance could not help the program participant regain stability in permanent housing, the policies and procedures must ensure the program participant is informed that they do not qualify for assistance for this reason.

Sub-recipients must implement written procedures to outline what type of homelessness prevention assistance the program participant is qualified to receive and in what order of priority.

Eligible homelessness prevention assistance:

Housing relocation and stabilization services requirements in §576.105

Short-term and medium-term rental assistance requirements in §576.106

**At Risk of Homeless status.** For each individual or family who receives ESG Homelessness Prevention assistance, the records must include the evidence relied upon to establish and verify the individual or family is at risk of homelessness status. This evidence must include an intake and certification form that meets HUD specifications and is completed by the subrecipient.

**Annual Income status.** For each individual or family who receives ESG Homelessness Prevention assistance, the record must include documentation that the program participant has insufficient financial resources and support networks; e.g., family, friends, faith-based or other social networks, immediately available to attain housing stability and meets one or more of the conditions under paragraph (1)(iii) of the definition of at risk of homelessness in §576.2

**Rapid Re-Housing Assistance.** ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium- term rental assistance necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. The rapid re-housing assistance must be provided in accordance with the housing relocation and stabilization services requirements in §576.105, the short- and

medium-term rental assistance requirements in §576.106, and the written standards and procedures established under §576.400.

Sub-recipients must implement policies and procedures to determine client eligibility to receive rapid re-housing assistance. An individual or family's ability to sustain housing should not be a threshold requirement. The written policies and procedures should identify how the program participant will receive services to overcome their immediate housing obstacles and connect them with the resources they need to stay housed when the program ends.

Sub-recipients must implement written policies and procedures to ensure that rapid re-housing assistance is necessary to help the program participant move as quickly as possible into permanent housing and achieve stability in that housing. In the event that the sub-recipient determines that rapid re-housing assistance could not help the program participant achieve stability in permanent housing, the policies and procedures must ensure the program participant is informed that they do not qualify for assistance for this reason.

Rapid re-housing assistance should be targeted to program participants who are closest to going into a shelter, car, or the street, if not those who are about to spend their first night there (referred to as "diversion"). Written policies and procedures should identify an effective targeting policy to prioritize those most in need of quickly moving into permanent housing as those being eligible to receive rapid re-housing assistance. Sub-recipients should ensure that their program priorities are consistent with the goals of the state plan to end homelessness and the Federal Strategic Plan.

Sub-recipients must implement written procedures to outline what type of rapid re-housing assistance the program participant is qualified to receive and in what order of priority. Policies and procedures must include standards of determining the type, amount, and duration of housing stabilization and/or relocation service to provide to the program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receive assistance; or the maximum number of times the program participant may receive assistance.

Eligible rapid re-housing assistance:

Housing relocation and stabilization services requirements in 576.105

Short-term and medium-term rental assistance requirements in 576.106

Standards for determining the share of rent and utility costs that each program participant must pay, if any, while receiving homelessness prevention or rapid rehousing assistance.

The homelessness prevention and rapid re-housing assistance components allow caps and conditions to be set by the subrecipient agency as they pertain to short- and medium-term rental assistance at §576.106 (b). In the event that the subrecipient elects to set caps and/or conditions to the type of assistance being provided, they must be outlined in the agency's written policies and procedures and must apply to all program participants.

Sub-recipients may set a maximum amount or percentage of rental assistance that a program participant may receive a maximum number of months that a program participant may receive rental assistance, or a maximum number of times that a program participant may receive rental assistance. Sub-recipients may also require program participants to share in the costs of rent; however, the program participant should never be required to contribute more than thirty percent of the household income toward the cost of rent.

If the amount of assistance will be based on a percentage of the program participant's income, the policies and procedures must specify what the percentage will be used and how the income will be calculated. Under no circumstances should the percentage of the participant's income contributed toward rent exceed thirty percent of the household's monthly income.

Standards for determining how long a particular program participant will be provided with rental assistance and whether and how the amount of that assistance will be adjusted over time.

As part of the program requirements in implementing the Emergency Solutions Grants, the sub-recipients must develop consistent standards for determining the duration, the provision, and the adjustment of rental assistance.

Prevention: ESG assistance funds may be used to provide housing relocation and stabilization services and short- and /or medium-term rental assistance necessary to prevent an individual or family from moving into an emergency shelter or another place not meant for human habitation (see homeless definition 576.2). This type of assistance is referred to as prevention (see 576.103).

Sub-recipients must establish consistent standards regarding:

Eligibility - All determination of homeless prevention must meet the criteria under the at risk of homelessness definition which must be appropriately documented. All documentation must demonstrate that the assistance to an individual or family is necessary to help regain stability in the participant's current home. All participants must have an annual income at or below 30 percent of area median income for the area as defined by HUD (see 576.105)

Duration of assistance - All short-term rental assistance must not exceed three (3) months of rent during any 24-month period.

Discretionary capping/conditions – Sub-recipients must establish written policies that clearly state the maximum amount or percentage of rental assistance as well as the number of months that a program participant may receive assistance (see 576.106b). All rental assistance must not exceed the Fair Market Rent (FMR) established by HUD, as provided under 24 CFR part 888 and comply with HUD's standard of rent reasonableness as defined under 24 CFR 982.507

Rental adjustment – Sub-recipients must re-evaluate the eligibility of the program participant and the amounts of assistance once every three months. All re-evaluation must be documented and establish that the program participant does not have an annual income that exceeds 30 percent of area median income. For the purposes of re-evaluation of eligibility, sub-recipients

must document any changes in the program participant income or other circumstances such as changes in the participant's household composition.

**Rapid re-housing.** ESG assistance funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance necessary to help a homeless individual or family to move as quickly as possible into permanent housing and achieve stability in that housing. This assistance, referred to as rapid re-housing, may be provided to program participants who meet the criteria under the definition of homelessness (see homeless definition as defined by HUD under 576.2) Sub-recipients must establish consistent standards regarding the provision of this type of assistance (see 576.105 housing relocation and stabilization services).

**Eligibility.** All documentation must demonstrate that the assistance to an individual or family meet the definition of homelessness as defined by HUD. All participants must have an annual income at or below 30 percent of area median income as defined by HUD (see 576.105).

**Duration of assistance.** Eligible participants will be provided with no more than 24 months of rental assistance during any three-year period. Sub-recipients must establish written policies and procedures around this provision. If caps and/or conditions are applied, the written policies must clearly state the maximum amount or percentage of rental assistance as well as the number of months that a program participant may receive assistance (see 576.106b). All rental assistance must not exceed the FMR established by HUD, as provided under 24 CFR part 888 and comply with HUD's standard of rent reasonableness as defined under 24 CFR 982.507. Sub-recipients must ensure that all program recipients receiving project-based rental assistance must have a one-year lease regardless of the length of the rental assistance.

**Rental adjustment.** Sub-recipients must re-evaluate the eligibility of the program participant and the amount of assistance annually. All re-evaluations must be documented in writing and establish that the program participant does not have an annual income that exceeds 30 percent of area median income. For the purposes of re-evaluation of eligibility, sub-recipients must document any changes in the program participant income or other circumstances such as changes in the participant's household composition.

**Standards for determining the type, amount, and duration of housing stabilization and/or relocation services to provide a program participant, including the limits, if any, on the homelessness prevention or rapid re-housing assistance that each program participant may receive, such as the maximum amount of assistance, maximum number of months the program participant receives assistance; or the maximum number of times the program participant may** Under housing relocation and stabilization services, financial assistance and services costs are subject to the general conditions under (576.103 and 576.104)

#### Housing relocation and stabilization services for homelessness prevention

**Rental application fees.** Must be based on the sub-recipient's written policies and must follow HUD requirements. All rental application fee assistance to eligible individuals or family program participants must be appropriately documented. See 576.105 (1).

Security deposits. Must follow HUD requirements. All deposits must be equal to no more than two months' FMR-based rent, appropriately documented and must have been calculated in the program participant's rental assistance. See 576.105 (2).

Last month's rent. Must be based on the sub-recipient's written policies and must be following HUD requirements. When last month's rent assistance is provided, it must not exceed one month of FMR-based rent, appropriately documented and must have been calculated in the program participant's total rental assistance which cannot exceed three months during any 24-month period. See 576.105 (3).

Utility deposits. Must follow HUD requirements. All utility deposit payments to eligible program participants shall not exceed more than three months within any 24-month period. See 576.105 (4).

Utility Payments. Must follow HUD requirements. All utility payments to determined eligible program participant shall not exceed more than three months within any 24-month period. Eligible utility services include gas, electric, water and sewage. See 576.105 (5).

Moving Costs. Must follow HUD requirements. All moving costs must be executed with consistency based upon the sub-recipient's written and documented policies. Eligible moving costs are truck rental, hiring a moving company, etc. In the case of the payment of temporary storage fees, no more than three months' payments are allowed. Eligible participants must have accrued the determined fees after the date of entry in the program and before entry in permanent housing. Payment of arrearages is not an eligible expense.

Housing search and placement. For all housing search and placement activities, sub-recipients must include: assessment of housing barriers, needs and preferences; development of an action plan for locating housing; housing search; outreach to and negotiation with owner; assistance with submitting rental applications and understanding leases; assessment of housing to ensure compliance with ESG requirements for habitability, lead-based and rent reasonableness; assistance with obtaining utilities and making moving arrangements; tenant counseling.

Housing stability case management - Must follow HUD requirements and must include all required activities to ensure and maintain stability in permanent housing. Permanent housing search and placement services cannot exceed 30 days. If the program participant is living in permanent housing, any housing stability case management activity cannot exceed 24 months.

To evaluate individuals and families applying for or receiving homelessness prevention or rapid re-housing assistance, sub-recipients must use the centralized or coordinated assessment system (see 576.400(d)). Sub-recipients must include in all required initial evaluation (576.401(a)) a verification of eligibility of all individuals and families applying for homelessness prevention or rapid re-housing. All verification must be appropriately documented.

Other activities include counseling, developing, securing, coordinating, and obtaining Federal, State, and local benefits. Sub-recipients must also establish a system for monitoring and evaluating program participant progress. In addition, sub-recipients must establish a process for information sharing and referrals, developing an individualized housing and service plan for

obtaining permanent housing and stability and a plan for conducting re-evaluation. (See 576.4019(b)).

Mediation. Sub-recipients must establish written policies and procedures that clearly state the terms of the mediation and all parties involved (program participant and the landlord). All documentations must establish that mediation was made necessary to prevent the loss of permanent housing in which the program participant resides and/or is the current lease holder.

Legal services. Sub-recipients must establish written policies and procedures that clearly state the terms of the legal services. All documentation must establish that the services were made necessary to resolve legal issues that prohibit the program participant from obtaining permanent housing or prevent the loss of permanent housing in which the program participant resides.

#### Housing relocation and stabilization services for rapid re-housing

Rental application fees. Sub-recipients must have established written policies determining the provision of this assistance. The policies must follow HUD requirements. All rental application fee assistance to eligible individual or family program participants must be appropriately documented. See 576.105 (1).

Security deposits. Must follow HUD requirements. All deposits must be equal to no more than 2 months' FMR based rent, appropriately documented and must have been calculated in the program participant's rental assistance. See 576.105 (2).

Last month's rent. Must be based on sub-recipient written policies and must follow HUD requirements. When last month's rent assistance is provided, it shall not exceed one month FMR-based rent, appropriately documented and must have been calculated in the program participant's total rental assistance which cannot exceed 24 months in any three-year period. See 576.105 (3).

Utility deposits. Must follow HUD requirements. All utility deposit payments to eligible program participants shall not exceed 24 months within any three-year period. See 576.105 (4).

Utility Payments. Must follow HUD requirements. All utility payments to eligible program participants shall not exceed more than 24 months within any three-year period. If needed, sub-recipients can make up to six months of utility payment arrearages per program participant. A partial payment of a utility bill must be considered as one month's assistance. This assistance may only be provided if the program participant or a member of the same household has an account in his or her name with a utility company or proof of responsibility to make utility payments. Eligible utility services are gas, electric, water and sewage. See 576.105 (5).

Moving Costs. Must follow HUD requirements. All moving costs must be executed consistent with sub-recipient written and documented policies. Eligible moving costs are truck rental, hiring a moving company, etc. In case of the payment of temporary storage fees, payments up to three months' costs are eligible. Eligible participants must have accrued the determined fees

after the date of entry in the program and before entry in permanent housing. The payment of arrearages is not eligible.

Housing search and placement. For all housing search and placement activities, sub-recipients must include: assessment of housing barriers, needs and preferences; development of an action plan for locating housing; housing search; outreach to and negotiation with owner; assistance with submitting rental applications and understanding leases; assessment of housing to ensure compliance with ESG requirements for habitability, lead-based and rent reasonableness; assistance with obtaining utilities and making moving arrangements; tenant counseling.

Housing stability case management. Must follow HUD requirements and must include all required activities to ensure and maintain stability in permanent housing. Permanent housing search and placement assistance cannot exceed 30 days. If the program participant is living in permanent housing, any housing stability case management activity cannot exceed 24 months.

Performance Standards: Measures include how the City will evaluate each ESG service provider's effectiveness in:

- A. Targeting those who need the assistance most,
- B. Reducing the number of people living on the streets or in emergency shelters
- C. Shortening the time people spend in homelessness
- D. Reducing each program participant's housing barriers or housing stability risks.
- E. Analyzing Program Outcomes

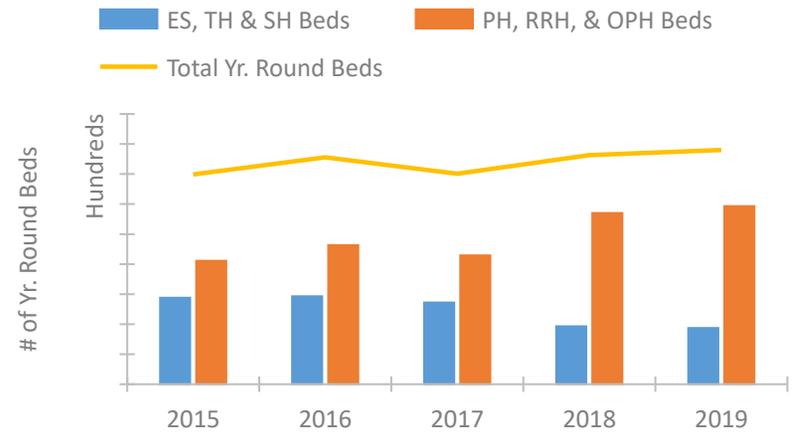
All standards are aligned with the HEARTH Act standards

# Youngstown/Mahoning County CoC Performance Profile

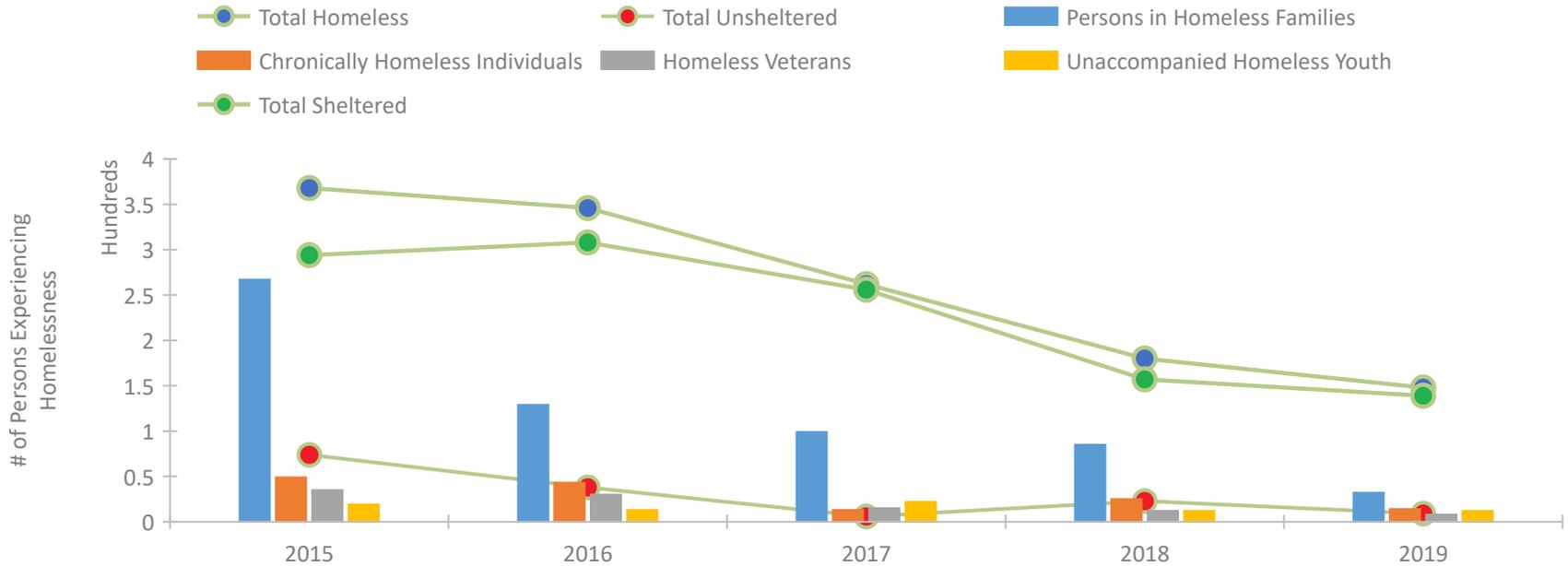
## CoC Performance Profile OH-504 Youngstown/Mahoning County CoC



### Housing Inventory Count by Program Type

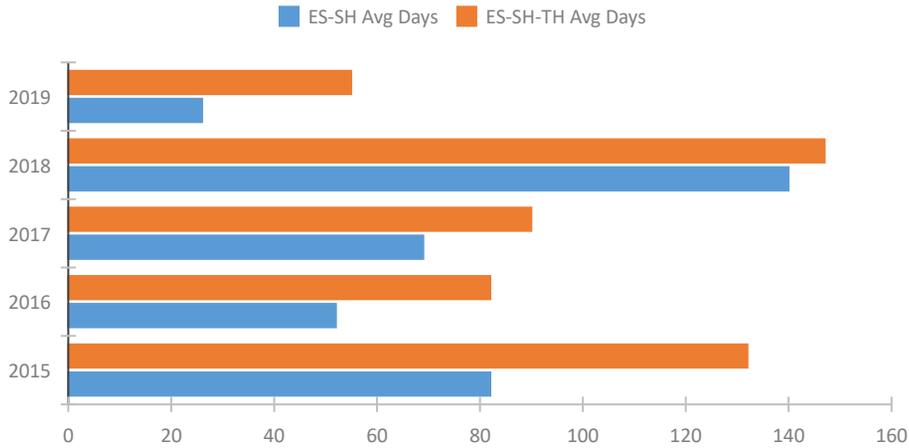


### Homeless Population – Point-in-Time (PIT) Count

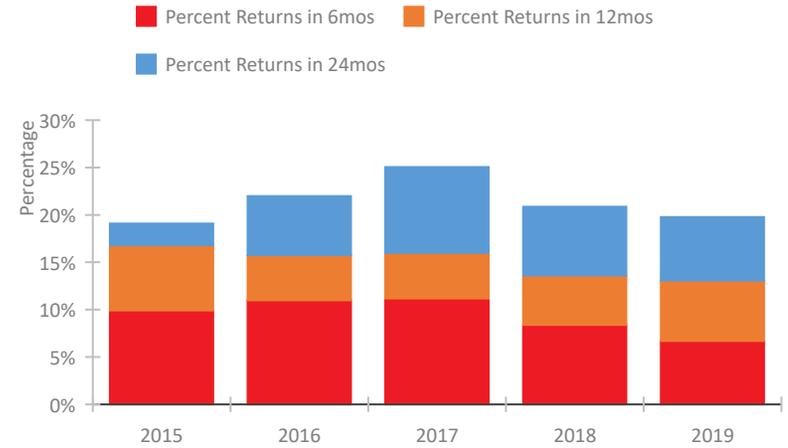


## CoC Performance Profile OH-504 Youngstown/Mahoning County CoC

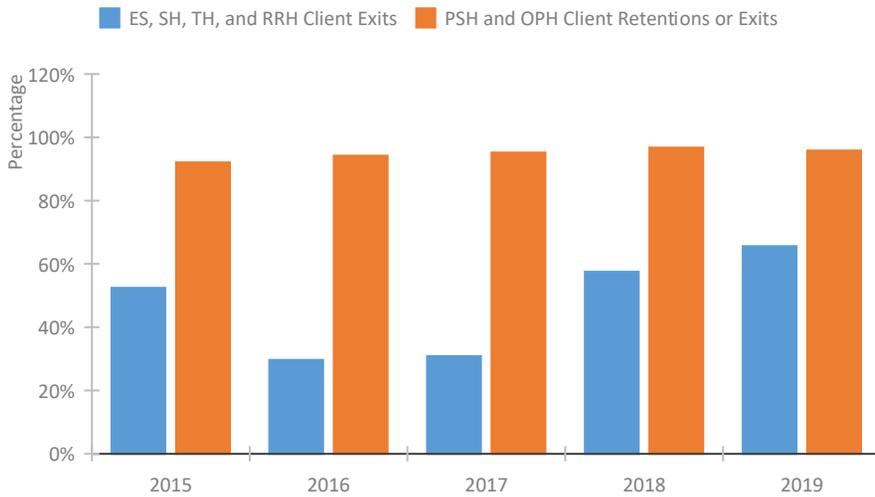
### Length of Time Homeless



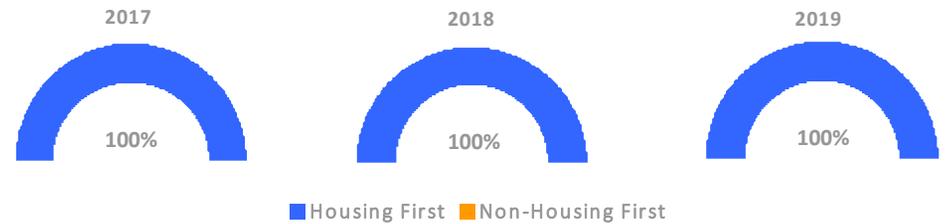
### Returns to Homelessness Over Time



### Exits to Permanent Housing by Program Type



### Proportion of Housing First Projects by Year



#### Number of Projects by Year

	2017	2018	2019
Housing First Projects	10	13	15
Non-Housing First Projects	0	0	0

## Data Summary: OH-504 Youngstown/Mahoning County CoC

### Point-In-Time Count Summary

	2015	2016	2017	2018	2019	2018-19 Change	% Change
Number of Sheltered Persons in Families	250	118	99	85	32	-53	-62%
Number of Unsheltered Persons in Families	17	11	0	0	0	0	--
Number of Sheltered Individuals	44	190	157	72	107	35	49%
Number of Unsheltered Individuals	57	27	6	23	9	-14	-61%
<b>Total Homeless Persons</b>	<b>368</b>	<b>346</b>	<b>262</b>	<b>180</b>	<b>148</b>	<b>-32</b>	<b>-18%</b>
Number of Sheltered Families	45	40	26	28	10	-18	-64%
Number of Unsheltered Families	6	3	0	0	0	0	--
<b>Number of Total Families</b>	<b>51</b>	<b>43</b>	<b>26</b>	<b>28</b>	<b>10</b>	<b>-18</b>	<b>-64%</b>
Sheltered Chronically Homeless Individuals	21	28	9	21	8	-13	-62%
Unsheltered Chronically Homeless Individuals	28	15	4	4	6	2	50%
<b>Total Chronically Homeless Individuals</b>	<b>49</b>	<b>43</b>	<b>13</b>	<b>25</b>	<b>14</b>	<b>-11</b>	<b>-44%</b>
Sheltered Veterans	6	27	15	10	7	-3	-30%
Unsheltered Veterans	29	3	0	2	1	-1	-50%
<b>Total Veterans</b>	<b>35</b>	<b>30</b>	<b>15</b>	<b>12</b>	<b>8</b>	<b>-4</b>	<b>-33%</b>
Sheltered Unaccompanied Youth (up to 24)	15	10	22	12	12	0	0%
Unsheltered Unaccompanied Youth (up to 24)	4	3	0	0	0	0	--
<b>Total Unaccompanied Youth (up to 24)</b>	<b>19</b>	<b>13</b>	<b>22</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>0%</b>

### System Performance Measures Summary

	2015	2016	2017	2018	2019	2018-19 Change	% Change
Average Length of Time Homeless (days)	132	82	90	147	55	-92	-62.6%
Rate People Return to Homelessness in 6 Months	9.9%	11.0%	11.2%	8.4%	6.7%	-1.7%	N/A
Number of People who are Homeless for the First Time	732	1,085	1,371	690	414	-276	-40%
Rate People Exit from ES, SH, TH, and RRH to PH	52.4%	29.6%	30.9%	57.5%	65.6%	8.1%	N/A
Rate People in PSH and OPH Retain or Exit to PH	92.1%	94.2%	95.2%	96.7%	95.8%	-0.9%	N/A

### Housing Inventory Count Summary

	2015	2016	2017	2018	2019	2018-19 Change	% Change
Emergency Shelter (ES)	180	188	173	176	176	0	0%
Transitional Housing (TH)	108	105	99	17	11	-6	-35%
Permanent Supportive Housing (PSH)	340	392	379	557	482	-75	-13%
Rapid Re-Housing (RRH)	71	71	40	13	111	98	754%

### Award Summary

	2015	2016	2017	2018	2019	2018-19 Change	% Change
<b>Continuum of Care (CoC)</b>	\$1,983,615	\$1,749,421	\$1,805,621	\$1,919,042	\$1,944,838	\$25,796	1%
<b>Emergency Solutions Grants (ESG)</b>	\$293,140	\$290,747	\$425,468	\$288,985	\$297,945	\$8,960	3%