



### PROJECT/ACTIVITY DESCRIPTION

(Complete one for each Project/Activity)

|   |                            |  |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
|---|----------------------------|--|--------------------------|--|--|-----------|--|-----|---------------------|-----|--------------------------|---------|------------------------|--|--------------------------|-------|------------------|--|--------------------------|-------|--------------------|--|--------------------------|---------|----------|--|--------------------------|--------------|----------------------------|--|--|
| <b>1. APPLICANT / GRANTEE NAME:</b><br><b>Redevelopment Authority of the County of Fayette, Pennsylvania</b>  |                            | <b>2. DATE:</b><br><b>2/2009</b>   |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| <b>3. TYPE:</b><br><input checked="" type="checkbox"/> Original <input type="checkbox"/> Revised  |                            | <b>4. FUNDING YEAR:</b><br><b>2009</b>   |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| <b>5. PROGRAM NUMBER:</b>   |                            |  |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| <b>6. PROJECT/ACTIVITY:</b><br><b>Neighborhood Stabilization Program</b>  |                            |  |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| <b>7. MUNICIPALITIES SERVED:</b><br><b>Fayette County, Pennsylvania</b>   |                            | <b>8. COST:</b>  |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| <b>9. NATIONAL OBJECTIVE:</b><br><b>LMMH – Low-, Moderate-, and Middle Income Households</b>  |                            | <table style="width:100%; border:none;"> <tr> <td></td> <td></td> <td style="text-align:right;">Committed</td> <td></td> </tr> <tr> <td>NSP</td> <td>\$ <u>1,989,600</u></td> <td>Yes</td> <td><input type="checkbox"/></td> </tr> <tr> <td>Federal</td> <td>\$ <u>See attached</u></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>State</td> <td>\$ <u>budget</u></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Local</td> <td>\$ <u>document</u></td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Private</td> <td>\$ _____</td> <td></td> <td><input type="checkbox"/></td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>\$ <u>1,989,600</u></b></td> <td></td> <td></td> </tr> </table> |                          |  |  | Committed |  | NSP | \$ <u>1,989,600</u> | Yes | <input type="checkbox"/> | Federal | \$ <u>See attached</u> |  | <input type="checkbox"/> | State | \$ <u>budget</u> |  | <input type="checkbox"/> | Local | \$ <u>document</u> |  | <input type="checkbox"/> | Private | \$ _____ |  | <input type="checkbox"/> | <b>TOTAL</b> | <b>\$ <u>1,989,600</u></b> |  |  |
|   |                            | Committed  |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| NSP   | \$ <u>1,989,600</u>        | Yes  | <input type="checkbox"/> |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| Federal   | \$ <u>See attached</u>     |  | <input type="checkbox"/> |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| State   | \$ <u>budget</u>           |  | <input type="checkbox"/> |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| Local   | \$ <u>document</u>         |  | <input type="checkbox"/> |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| Private   | \$ _____                   |  | <input type="checkbox"/> |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| <b>TOTAL</b>  | <b>\$ <u>1,989,600</u></b> |  |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
| <b>10. NATIONAL OBJECTIVE JUSTIFICATION:</b><br><b>Census data indicates that this project will benefit low-, moderate-, and middle income persons.</b> |                            | <b>11. COST ESTIMATE:</b><br>Attach Cost Estimate (from Engineer, Architect, etc.) which indicates Activity Components & Delivery Costs.   |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |
|   |                            | <b>12. TIME FRAME:</b><br><b>3/2009-8/2010</b>   |                          |  |  |           |  |     |                     |     |                          |         |                        |  |                          |       |                  |  |                          |       |                    |  |                          |         |          |  |                          |              |                            |  |  |

#### A. LMI BENEFIT TESTS

|  |  |   |  |     |    |   |                          |                          |   |                          |                          |   |                          |                          |  |
|--|--|---|--|-----|----|---|--------------------------|--------------------------|---|--------------------------|--------------------------|---|--------------------------|--------------------------|--|
| <b>1. AREA BENEFIT:</b><br><input checked="" type="checkbox"/> CENSUS DATA<br>C.T.: <u>See attached</u><br>E.D.: <u>map*</u><br>B.G.: _____<br>Area Pop.: _____<br>LMI Pop.: _____<br>% LMI: _____ | <b>2. LIMITED CLIENTELE:</b><br><input type="checkbox"/> Presumed <input type="checkbox"/> Income Eligibility <input type="checkbox"/> Nature / Location | <b>3. HOUSING:</b><br><input checked="" type="checkbox"/> Rehabilitation<br><input checked="" type="checkbox"/> New Housing Support / Construction<br><table style="width:100%; border:none;"> <tr> <td></td> <td style="text-align:center;">Yes</td> <td style="text-align:center;">No</td> </tr> <tr> <td>One-Unit Structures-<br/>Each Household LMI?</td> <td style="text-align:center;"><input type="checkbox"/></td> <td style="text-align:center;"><input type="checkbox"/></td> </tr> <tr> <td>Two-Unit Structures-<br/>At least 1 Unit is LMI?</td> <td style="text-align:center;"><input type="checkbox"/></td> <td style="text-align:center;"><input type="checkbox"/></td> </tr> <tr> <td>Multi-Unit Structures-<br/>51% of Units are LMI?</td> <td style="text-align:center;"><input type="checkbox"/></td> <td style="text-align:center;"><input type="checkbox"/></td> </tr> </table> For Non-Elderly New Rental Housing with less than 51% LMI units-<br>% LMI units (20%-50%): _____<br>CDBG funds limited to: _____ |  | Yes | No | One-Unit Structures-<br>Each Household LMI? | <input type="checkbox"/> | <input type="checkbox"/> | Two-Unit Structures-<br>At least 1 Unit is LMI? | <input type="checkbox"/> | <input type="checkbox"/> | Multi-Unit Structures-<br>51% of Units are LMI? | <input type="checkbox"/> | <input type="checkbox"/> | <b>4. JOB CREATION / RETENTION:</b><br>Number of Jobs<br>Created _____<br>Retained _____<br><br>Number of LMI Jobs<br>Created _____<br>Retained _____<br><br>% LMI Jobs<br>Created _____<br>Retained _____ |
|  | Yes  | No  |  |     |    |   |                          |                          |   |                          |                          |   |                          |                          |  |
| One-Unit Structures-<br>Each Household LMI?  | <input type="checkbox"/>   | <input type="checkbox"/>  |  |     |    |   |                          |                          |   |                          |                          |   |                          |                          |  |
| Two-Unit Structures-<br>At least 1 Unit is LMI?  | <input type="checkbox"/>   | <input type="checkbox"/>  |  |     |    |   |                          |                          |   |                          |                          |   |                          |                          |  |
| Multi-Unit Structures-<br>51% of Units are LMI?  | <input type="checkbox"/>   | <input type="checkbox"/>  |  |     |    |   |                          |                          |   |                          |                          |   |                          |                          |  |

\*Note: This application proposes a number of initiatives including property acquisition and demolition and home rehabilitation and construction.

**PROJECT/ACTIVITY DESCRIPTION****B. PROJECT/ACTIVITY DESCRIPTION**

Describe the activity sufficiently to demonstrate that it is an eligible activity, and that its scope is adequate to meet the identified needs of intended beneficiaries. Particular attention must be focused on the impact the proposed solution will have upon low and moderate income people.

Due to the competitive review process, the activity should be described comprehensively to substantiate the cause and magnitude of the need, and “third party” support (reports, newspaper articles, letters from affected residents, businesses, etc.), should be provided. Focus as specifically as possible on the impact of the problem on the residents of the affected area.

**Project Description**  
**Redevelopment Authority of the County of Fayette, PA**  
**Neighborhood Stabilization Program**

**A. Introduction**

When developing its Neighborhood Stabilization Program (NSP), the Redevelopment Authority of the County of Fayette (RACF) had two primary objectives: implementing NSP eligible activities to address the troublesome issue of foreclosure in Fayette County and adhering to DCED’s annual housing priorities of targeting, leverage, and impact. With these objectives in mind, the Authority collaborated with the Redevelopment Authorities of the Cities of Uniontown and Connellsville to develop a comprehensive, county-wide NSP initiative.

The Fayette County NSP initiative targets jurisdictions with a significant number of foreclosures, all of which are defined as Priority Need Areas and which have a HUD risk score of eight (8) or higher. Using these criteria, the program focuses on Uniontown, Connellsville, and Masontown; all areas where lending problems have contributed to the number of foreclosures and where an investment of NSP funds can help create long-term stability within the community. According to the U.S. Census Bureau, Uniontown, Connellsville, and Masontown are low-, moderate-, and middle income areas.

The Fayette County NSP initiative includes acquiring a number of strategically located foreclosed homes in the Uniontown, Connellsville, and Masontown areas. Based on their condition, these homes will either be rehabilitated and resold or demolished and cleared. New homes will be constructed on cleared lots and on a vacant lot in Masontown that is owned by Threshold Housing. This vacant lot previously contained a blighted school that was demolished by the Redevelopment Authority using prior year CDBG funding. In addition to these activities, several blighted homes will be demolished in and neighborhood enhancements will be added to Uniontown’s Gallatin Avenue and East End Neighborhoods, and a foreclosed, mixed-use (commercial and residential) building will be acquired and demolished in Connellsville’s Main Street Program neighborhood.

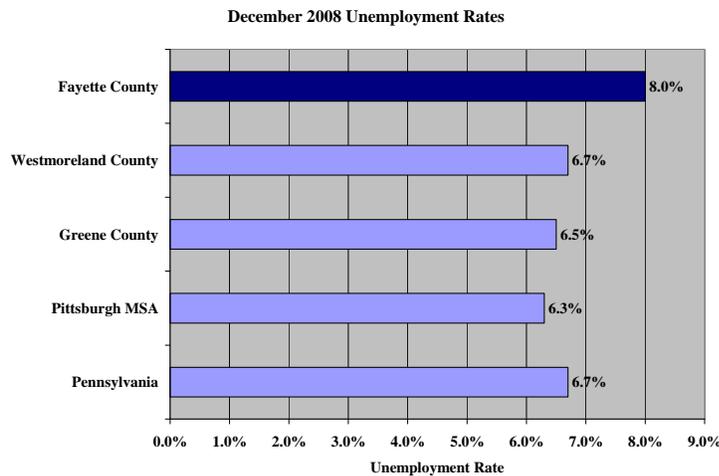
The remainder of this narrative describes the details of these activities and addresses the following topics outlined in the NSP application: Neighborhood Characteristics, Activity Description, Location, and Demolition Activities.

**B. Project Description****1. Neighborhood Characteristics**

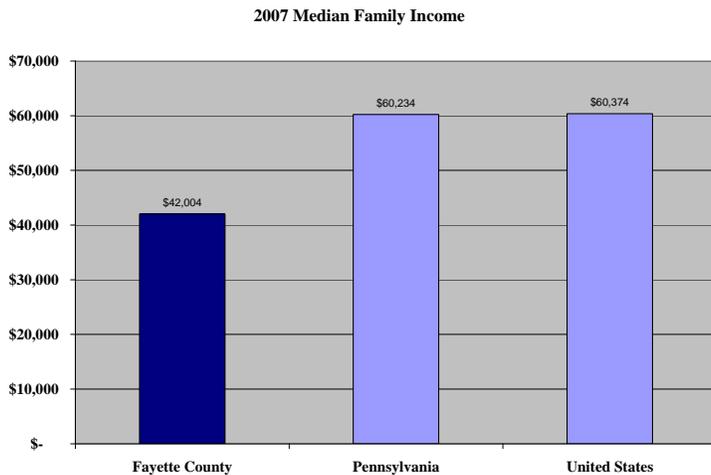
As the County with the 3<sup>rd</sup> highest percentage of subprime mortgages (30.52%) in the Commonwealth, it’s not surprising that Fayette County has several jurisdictions defined as *Priority Need Areas* with a HUD risk score of eight (8) or higher. Most of these areas are in Uniontown, Connellsville, Masontown, and Brownsville, all urban areas in the County. A number of factors have contributed to the County’s high rate of subprime mortgages and often subsequent foreclosures such as poverty, low incomes, and high unemployment.

A recent HUD-Treasury Joint Report on predatory and abusive lending supports this position, indicating that low-income communities tend to have higher concentrations of subprime mortgages.<sup>1</sup>

According to the Fayette County *Housing Market Analysis* and to leading economic indicators, Fayette County has widespread poverty and unemployment. The *Housing Market Analysis*, which analyzed real estate, housing, and socio-economic trends throughout the County, found poverty and low-incomes to be major contributors to the County’s excess stock of aging, dilapidated housing. Poverty impacts 15.3% of families in Fayette County, as indicated in the 2005-2007 American Community Survey.<sup>2</sup> This rate is significantly greater than the State’s rate of 8.2% and the national rate of 9.8%. Although poverty data is not available from the American Community Survey for the County’s urban areas, a review of 2000 Census data indicates that Uniontown, Connellsville, Masontown, and Brownsville all had poverty rates over 19%. The County’s unemployment rate is also poor. In December 2008, the seasonally adjusted unemployment rate was 8.0%, higher than the Pittsburgh area’s rate of 6.3% and of neighboring Greene and Westmoreland Counties’ rates of 6.5% and 6.7% respectively.<sup>3</sup>



With the current economic recession and employer cutbacks, such as the closing of the large Sony plant in Westmoreland County where many individuals from Fayette County work, the County’s unemployment rate will likely increase. Those families in the County that are fortunate enough to have jobs often still have low incomes. In 2007 the County’s median family income was \$42,004, almost \$20,000 less than the State’s median family income of \$60,243.<sup>4</sup>



Low income and unexpected unemployment often make mortgage payments difficult to pay, especially subprime mortgages that can have increasing adjustable rates.

<sup>1</sup><http://www.hud.gov/library/bookshelf12/pressrel/treasrpt.pdf>

<sup>2</sup>[www.census.gov](http://www.census.gov)

<sup>3</sup><http://www.paworkstats.state.pa.us/default.asp>

<sup>4</sup>[www.census.gov](http://www.census.gov)

A review of Fayette County Sheriff's Sale data over the past 2 years suggests that many families have had trouble paying their mortgages. During 2007 and 2008, Fayette County has had over 300 homes go through foreclosure.<sup>5</sup> This amount represents 0.45% of all homes in the County or about 1 out of every 225 homes. When these homes are plotted on a map of the County, many of the foreclosures are located in concentrated areas in or near Uniontown, Connellsville, Masontown, and Brownsville. A map is included as a supporting document. The Authority used this foreclosure information to target its NSP initiative toward the areas where it expects to have a positive impact on the community.

Uniontown, Connellsville, and Masontown, the focus of Fayette County's NSP initiative, are all areas with pockets of blight mixed among revitalization projects and revitalized areas. And, despite the recent slump in the nation's housing market, housing demand in these areas has remained relatively constant. Home prices are still modest (many homes are priced below \$70,000), making them affordable for low- and middle-income families. Brownsville, another area with a significant number of foreclosures, is in need of more significant revitalization, and NSP funds would likely have little long-term impact on the community.

## 2. Activity Description

The Fayette County NSP initiative is comprised of several different components to best meet the needs of its targeted communities: (1) acquire and then rehabilitate and sell or demolish and clear 15 foreclosed homes in the Uniontown, Connellsville, and Masontown areas; (2) construct two new homes on acquired and cleared lots and three new homes on a vacant lot in Masontown; (3) demolish up to 48 blighted homes and add neighborhood improvements to Uniontown's Gallatin Avenue Elm Street and East End Neighborhoods; and (4) acquire and demolish a foreclosed, blighted, county-owned, and mixed-use building in Connellsville's designated Main Street area.

### *Acquisition and New Construction*

Before designing the acquisition piece of its NSP initiative, the Redevelopment Authority collected data from the Fayette County Courthouse to create an inventory of all foreclosed homes from the past two years. This inventory helped to pinpoint the areas in the County that are experiencing the most foreclosures (please see the Appendix for additional discussion on the methodology used to compile foreclosure data). With its list of foreclosed homes in hand, the Authority met with local realtors to discuss viewing and acquiring some of the homes that were real estate owned (REOs). Most of the foreclosed homes were or are REOs, which suggests that the REO data provided by The Reinvestment Fund may not be complete for Fayette County. The realtor showed representatives from the Authority and Threshold Housing a number of REO homes listed for sale in the targeted areas. Each of these homes was located in low-income neighborhoods that could benefit from an infusion of NSP funds. After looking at the homes, the Authority wanted to ensure that it was ready to proceed quickly with NSP funding, so it submitted four purchase offers, each contingent upon receiving an NSP grant. The Authority plans to continue to monitor foreclosures over the next few months so that it is ready to proceed with acquisitions as soon as possible. Based on past trends, the Redevelopment Authority estimates that approximately 10 to 15 homes are sold through the Sheriff's Sale each month (or 20 to 30 every other month). With this many homes sold through the Sheriff's Sale each month and with the County's Judicial Sale (free and clear) in March, the Authority expects to acquire several foreclosed properties within the first few months of receiving an NSP grant.<sup>6</sup>



As foreclosed homes are purchased, they will either be rehabilitated or demolished, depending on their overall condition and the soundness of their structure. The Authority's decision to rehabilitate or demolish will be made in conjunction with Threshold Housing, who will carry out rehabilitation activities. As indicated in the Management Plan section of this application, both the Authority and Threshold Housing have extensive experience with home rehabilitation in Fayette County, making them qualified to judge a home's capacity for rehabilitation. Based on the condition of the foreclosed homes that it has already seen, the Authority expects that the majority of the homes will be suitable for rehabilitation. With a sufficient number of foreclosed homes available for rehabilitation, the Authority considered its and Threshold's capacity when determining the number of homes it would rehabilitate under the NSP initiative (12 homes). All rehabilitated homes will be brought up to code and lead hazards will be addressed or abated. Once

<sup>5</sup>Foreclosure data gathered from the Fayette County Recorder of Deeds.

<sup>6</sup>During the County's annual Judicial Sale, homes that have been foreclosed due to delinquent real estate taxes are available for sale.

completed, these homes will be available for sale through the Authority's Homebuyer Development Program. A brochure describing this program is included as a supporting document with this application.

Those homes that are unfit for rehabilitation will be demolished (the Redevelopment Authority estimates that three foreclosed homes will be demolished). Local contractors will perform demolition and clearance activities. The Authority expects two of the cleared lots to be suitable for new home construction. The lot that is not suitable will be sold to a neighboring property owner or to another interested party.

The new construction component of Fayette County's NSP initiative includes building five new homes for low-, moderate-, and middle income families in the County. Two of these new homes will be built on cleared lots of previously foreclosed homes and three will be built on a vacant lot in Masontown. This vacant lot, which is owned by Threshold Housing, was selected because of Masontown's high number of foreclosures. Before it was cleared, the lot contained a large, blighted school that had been vacant for many years. The Redevelopment Authority used DCED Core Communities and prior year CDBG funding to demolish the school. Building an additional three new affordable homes on this lot will increase the number of suitable housing options for low-, moderate-, and middle income families in Masontown, helping to stabilize the area. Threshold Housing will use a variety of its existing floor plans for these new homes, each with features such as: an average square footage of 1,270, energy efficient construction, front porches, 3 bedrooms and 2 bathrooms, 2 car garages, and optional full basements. Plans can also include universal design standards, making them fully accessible to all individuals. All of the homes built by Threshold will include high-efficiency furnaces, high-performance windows and doors, and insulation to minimize excessive air infiltration. Included with the supporting documents is a typical Rescheck Compliance Certificate for a home built by Threshold Housing. This certificate indicates that the home exceeds energy efficiency code standards by 25.4%.



*Blighted School*

Families that purchase a newly constructed or rehabilitated home through the County's NSP initiative will be required to attend at least eight hours of homebuyer counseling. The Redevelopment Authority, Threshold Housing, and Fayette County Community Action Agency, a HUD Approved Housing Counseling Agency, cooperatively conduct a Homeownership Educational Program working in partnership with area lenders and non-profit consumer credit counseling agencies. This counseling includes topics such as mortgages, budgeting, financial management, and home repair. Past data from Community Action indicates that low- and moderate income families that have attended this counseling have been more successful homeowners than families that have not attended the counseling.

#### *Gallatin Avenue and East End Demolition*

Fayette County's NSP initiative includes a component to fight blight in the City of Uniontown's Gallatin Avenue and East End Neighborhoods. Both of these neighborhoods have a number of homes that are either vacant and condemned or vacant and dilapidated, contributing to the neighborhoods' unsafe, neglected images. Removing these homes and adding neighborhood improvements to the Gallatin Avenue Neighborhood will be a significant step towards the overall improvement of these communities.



*Vacant Home*

Both Uniontown's Gallatin Avenue and East End Neighborhoods are in different phases of implementing large, comprehensive redevelopment plans. The Gallatin Avenue Neighborhood, which is in the midst of implementing its plan, was recently designated an Elm Street Community by the Pennsylvania Department of Community and Economic Development (DCED). The Gallatin Avenue Concerned Citizens Association worked in conjunction with the City of Uniontown's Redevelopment Authority to create a multi-point community improvement plan to receive the Elm Street designation. This plan includes making the neighborhood safer, improving the neighborhood's image, and creating new homeownership opportunities. The complete multi-point plan is included in the Appendix and an associated neighborhood improvement map is included with the maps. In order to make these neighborhood improvements, the Uniontown Redevelopment Authority will leverage funding from a number of sources including: DCED's Elm Street Program, Core Communities Housing Program, and Housing Redevelopment Assistance, U.S.D.A.'s Federal Enterprise Community (through Fay-Penn Economic Development Council), Local Initiatives Support Corporation (LISC), Community Foundation of Fayette County, STEPS to a Healthier Fayette, private lending institutions, and Pennsylvania Housing Finance Agency's (PHFA) Homeownership Choice Program or a similar program (will apply for this funding in 2009). NSP funding would complement this array of funding.



*Vacant Home*

Similar to the Gallatin Avenue Neighborhood, Uniontown’s East End is in need of revitalization. The East End Concerned Citizen’s Association has been working with the Uniontown Redevelopment Authority to prepare an application for Elm Street status. Although this application will not be submitted until the third year of the Gallatin Avenue Elm Street Program, the Citizen’s Association has already implemented a number of activities to improve the neighborhood including block parties, neighborhood watches, and community clean-ups. The Redevelopment Authority has also secured funding from DCED’s Housing Redevelopment Assistance and from the Community Foundation of Fayette County for the East End.

With both of these neighborhoods, NSP funding will be used to demolish blighted homes. The neighborhoods contain over 60 homes that are vacant and dilapidated or vacant and condemned, making them unfit for habitation. Based on the NSP timeframe and local capacity, the Uniontown Redevelopment Authority determined that 48 of these homes could be demolished using NSP funds. Some of these homes are already owned by the Uniontown Redevelopment Authority, and others that are privately owned will have a lien placed on them. As this application for NSP funding is under consideration, the Uniontown Code Enforcement Officer is in the process of condemning dilapidated, vacant homes. The pictures below are of some of the other dilapidated homes in the Gallatin Avenue Neighborhood.



*Vacant Home*



*Vacant Home*

In addition to removing blighted homes from the Gallatin Avenue Neighborhood, NSP funds will be used to purchase and install neighborhood improvements on cleared, previously acquired lots. The Uniontown Redevelopment Authority plans to donate lots to the Gallatin Avenue Concerned Citizen’s Association for the construction of a park and playground and for the construction of two neighborhood welcome signs. Both the playground and the signs are part of Gallatin Avenue’s comprehensive revitalization plan, and both are intended to improve the neighborhood’s image by making it more welcoming.

### *Connellsville Demolition*

Like parts of Uniontown, downtown Connellsville is also undergoing revitalization. Connellsville is in the process of designating a Main Street Program that will focus on the downtown’s visual appeal by improving building facades and removing blight and on the downtown’s economic development by supporting existing businesses and attracting new businesses.

As part of Connellsville’s downtown revitalization, the Connellsville Redevelopment Authority will use NSP funds to acquire and demolish a vacant, foreclosed, and mixed-use (commercial and residential) structure in the downtown area. This building, which is county-owned due to delinquent taxes, is extremely dilapidated and, in its current condition, poses a safety risk. The Connellsville Redevelopment Authority is considering using the vacant lot for another mixed-use commercial and residential structure.



### *Performance Measures and Neighborhood Stabilization*

With each of the programs it administers, the Redevelopment Authority has instituted a measuring component to track both program outputs and outcomes. This evaluation mechanism is intended to enable administrators to make informed judgments and decisions about each program and to improve overall program effectiveness. For the NSP initiative, program outputs are clear: the elimination of blight and creation of affordable homeownership opportunities through acquisition, demolition, housing rehabilitation, and new construction. Measuring these outputs is performed perpetually, meaning that as each property is acquired or demolished and as each home is rehabilitated or constructed, the output will be recorded. In addition to various demographic and income data, funding and budgetary information is also maintained for each program participant.

| ACTIVITY                             | MEASURE   | TARGET                          |
|--------------------------------------|---|---------------------------------|
| Acquisition and Rehabilitation       | Number of Houses                                  | 12                              |
| Acquisition and Demolition           | Number of Houses                                  | 3                               |
| New Construction                     | Number of Houses                                  | 5                               |
| Demolition of Single-Family Homes    | Number of Houses                                  | 48                              |
| Uniontown Neighborhood Improvements  | Completion of Playground<br>Installation of Signs | 1 Playground<br>2 Welcome Signs |
| Connellsville Demolition (Mixed-Use) | Number of Buildings                               | 1                               |

The Authority will also work with the Redevelopment Authorities of the Cities of Uniontown and Connellsville to track program outcomes for the initiative. These outcomes will be tracked to gauge the comprehensive effectiveness of the initiative in helping to stabilize neighborhoods where NSP funds are invested. Program outcomes may include: *An Increase or Stabilization of Housing Stock Values, Increase in Private Investment in Surrounding Properties, Maintenance / Increase of the Areas Homeownership Rate, and the Creation of Successful Homeowners.*

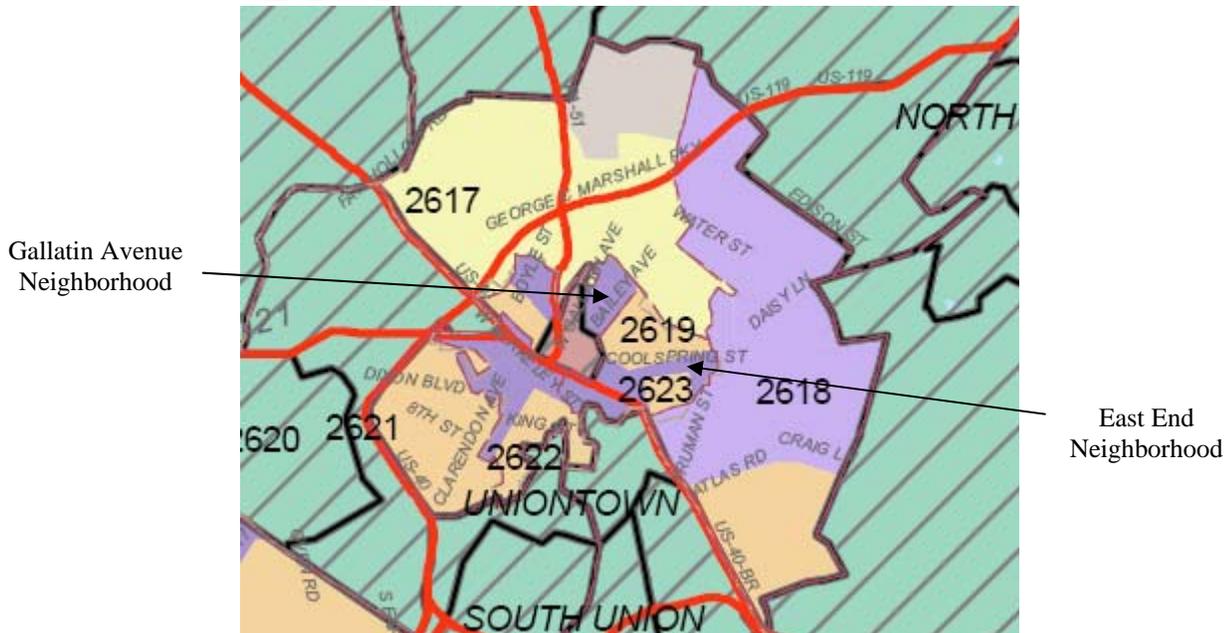
*Program Income*

The Fayette County Redevelopment Authority expects to generate approximately \$1 million in program income through the sale of rehabilitated and newly constructed homes. Program income will also be generated through the collection of liens on demolished properties. This income will be reinvested into Fayette County’s NSP initiative to acquire and rehabilitate additional foreclosed homes or to construct additional new homes; the Authority anticipates that all NSP funds will be expended by July 2013. The Authority’s experienced accounting staff will separately monitor and track NSP program income as this staff already does for several other programs.

**3. Location**

The Fayette County NSP targets Uniontown, Connellsville, and Masontown, all areas with high concentrations of foreclosures. Within these areas, NSP funds will be used in the neighborhoods with the greatest needs: where they are expected to make a long-term, positive impact on the community. For example, the Gallatin Avenue and East End areas of Uniontown and the Main Street area of Connellsville are already undergoing revitalization, so an influx of NSP funding will help to support this revitalization. Furthermore, the Gallatin Avenue and East End areas are located in Census Blocks designated by The Reinvestment Fund as “Increasing Lending Problems & Sales Price & AMI Eligible & HUD Risk Score > 6,” suggesting that without stabilization efforts, foreclosures could increase in these areas. Please see the map below.

**Uniontown**



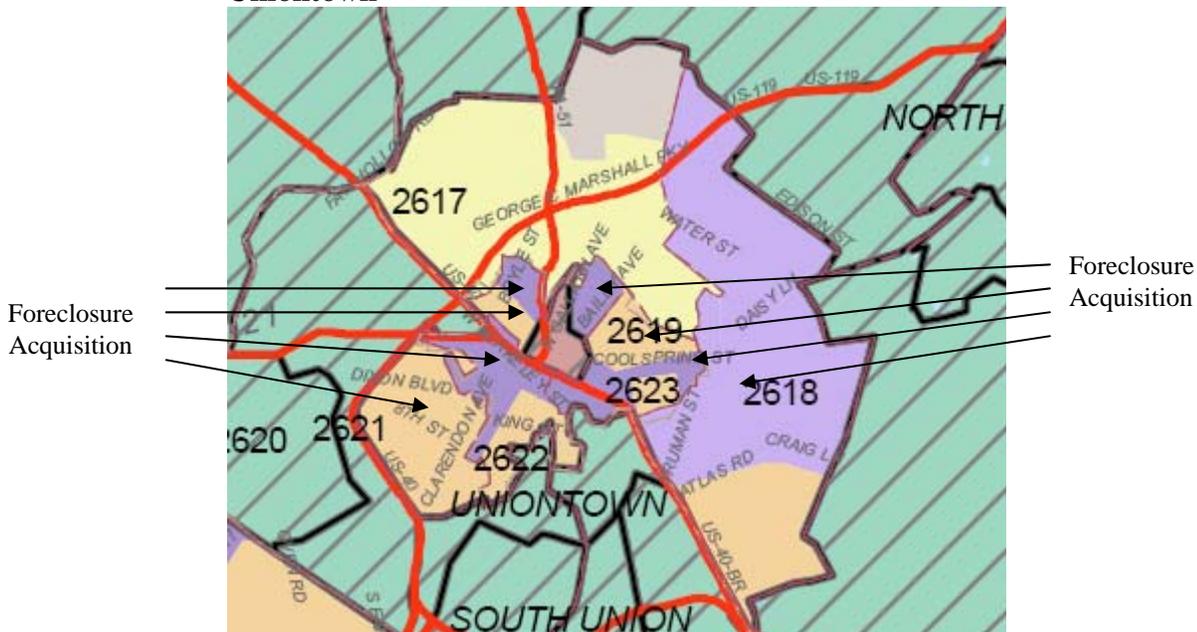
Connellsville's Main Street area encompasses parts of several Census Blocks, all of which are categorized as Priority or Qualified Need Areas. The foreclosed, mixed-used building that is slated for acquisition and demolition as part of the NSP is located on South Pittsburgh Street, an area designated as "AMI Eligible & HUD Risk Score > 6."

### Connellsville



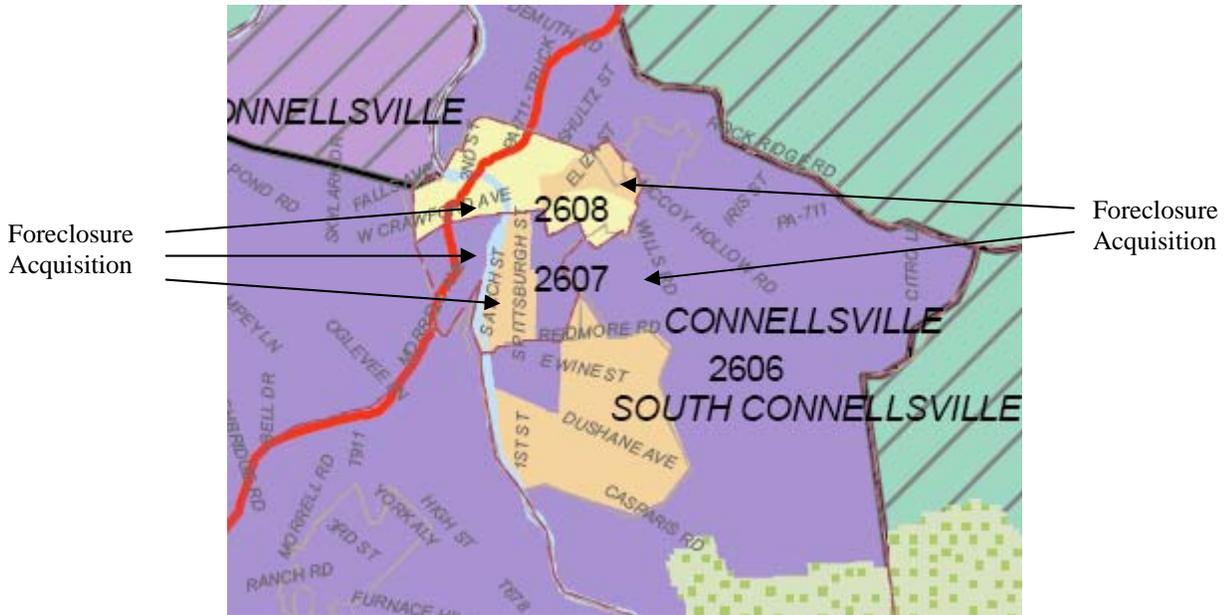
When acquiring foreclosed homes, the Redevelopment Authority will purchase *strategically* located homes in areas where the abandoned home could negatively impact the rest of the neighborhood, but in its current condition, the home is not desirable enough to be purchased by a prospective homeowner. These homes will be located in Census Blocks designated as Priority and Qualified Need Areas and the majority of homes will be located in "Increasing Lending Problems & Sales Price & AMI Eligible & HUD Risk Score > 6" or "Lending Problems & Sales Price & AMI Eligible & HUD Risk Score > 6" Census Blocks. In most cases, if the Authority did not acquire these homes, they would be purchased by investors and would become poorly managed rental properties. The map of Uniontown below indicates the Census Blocks where the Redevelopment Authority plans to acquire foreclosed homes. Some of these blocks include neighboring North and South Union townships. As indicated in the *Activity Description* section of this application, the REO information made available through The Reinvestment Fund is not complete for Fayette County, so this information is not included on the maps.

### Uniontown

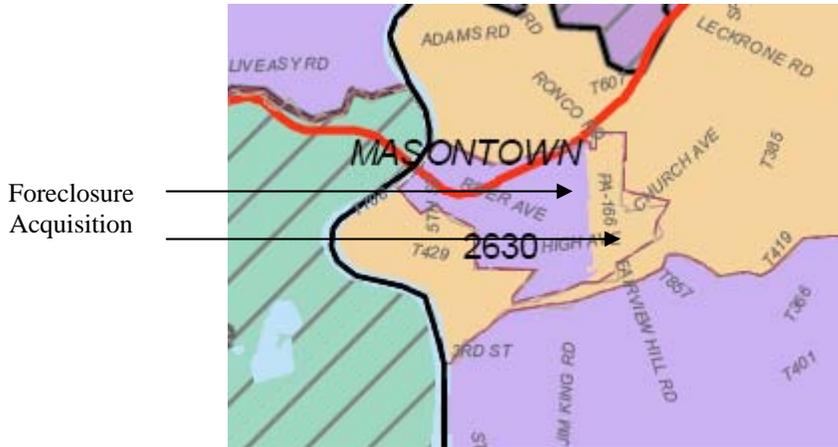


The Authority's foreclosure acquisition activities in Connellsville and Masontown will also focus on Priority and Qualified Need Areas. The maps below indicate the Census Blocks where these activities will take place.

**Connellsville**



**Masontown**



When viewing foreclosed homes during the past few months, the Redevelopment Authority saw several strategically located homes, those in neighborhoods that would benefit from NSP support. One such home, at 120 Union Street, is in a Census Block designated by The Reinvestment Fund as one with "Increasing Lending Problems." Union Street, located just south of Uniontown's central downtown area, is filled with large older homes. These homes are a mix of owner-occupied and rentals, and, for the most part, the homes are in good condition. The map from the Fayette County Assessment Office below includes a description of each home in the area.



120 Union St.



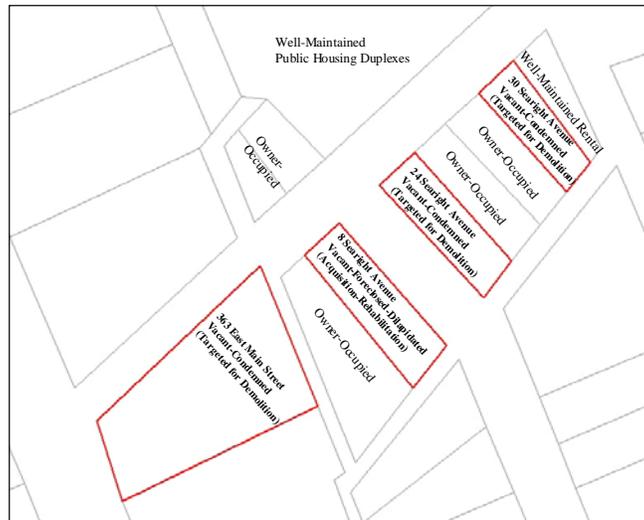
This area of Uniontown has recently had a slight increase in rental properties, a few of which are showing some signs of neglect, and the Authority feels that keeping this home owner occupied will help to stabilize the neighborhood. Because the inside of 120 Union is in need of some significant repairs, the kitchen floor is unlevel and some rooms are unfinished, this home is more likely to appeal to a landlord than to an individual or to a family that is planning to live there. By acquiring and rehabilitating the home, the Authority will improve the home and keep it owner occupied. The pictures below are of other homes located on Union Street around 120 Union.



Another strategically located foreclosed home in Uniontown is 8 Searight Avenue in the East End Neighborhood. This neighborhood is a mix of owner occupied homes, rental homes, and public housing. Eight Searight is a spacious four bedroom home that is in reasonable condition, however some of the surrounding homes are vacant and dilapidated. Prospective homebuyers may be uninterested in buying 8 Searight because of these dilapidated homes. To help improve and stabilize this neighborhood, the Authority would purchase and rehabilitate 8 Searight and then use NSP funds to condemn and demolish some of the surrounding dilapidated properties. Pictures of surrounding dilapidated homes and a map of the area are below.



8 Searight Ave.



The Authority also viewed 24 West Kerr Street, a strategically located foreclosed home in the Gallatin Avenue Neighborhood. This four bedroom home has a fireplace and a good-sized backyard. The home is on a side street, making it



*West Kerr Street*

desirable to families, and most of the nearby homes are owner occupied. The home's roof has a leak, though, which caused significant damage to an upstairs bedroom. The roof and bedroom can be repaired, however, their current condition could discourage some individuals and families interested in living in the home. Another home in a similar situation is 28 Race Street in Uniontown. This home is also quite spacious and has a large yard, but several of the rooms are in need of major repairs and the bathrooms are not fully functional. The neighborhood consists of primarily owner occupied homes, though, and has a reputation of being an affordable area for families. Acquiring, rehabilitating, and selling these two homes and similar homes will keep them from further deterioration and keep them from becoming dilapidated rental properties.



*Race Street*

### *Timeframe*

As directed by program guidelines, the Fayette County NSP initiative covers an 18 month timeframe. To ensure that it was ready to commence activities as soon as NSP funding is received, the Redevelopment Authority began several pre-application activities in 2008, including researching foreclosed homes and identifying local priorities. A project workplan and narrative that outline each NSP activity are included in the Appendix.

Upon receiving its NSP grant, the Authority plans to immediately contract with Threshold Housing, Inc. for rehabilitation and new construction activities. The Authority will purchase foreclosed homes within the first six to eight months of receiving an NSP grant. Once these homes are purchased, they will either be rehabilitated by Threshold or demolished by local contractors.

New construction activities in Masontown will commence once NSP funding is received. These homes will be completed in about one year. Other new construction will be completed within 18 months.

The Gallatin Avenue and East End demolition activities will occur over the course of 18 months at a rate of about three demolitions per month. And, the mixed use building in Connellsville will be demolished within 12 months of receiving NSP funding.

### *Other Funding*

An NSP grant will complement funding already secured for Uniontown and Connellsville. For the Gallatin Avenue and East End Neighborhoods, this funding includes: DCED's Elm Street Program, Core Communities Housing Program, and Redevelopment Housing Assistance, U.S.D.A.'s Federal Enterprise Community (through Fay-Penn Economic Development Council), Community Foundation of Fayette County, Local Initiatives Support Corporation (LISC), and STEPS to a Healthier Fayette. Funding from private lending institutions will support new home construction activities. The Gallatin Avenue neighborhood also hopes to receive funding from the Pennsylvania Housing Finance Agency's (PHFA) Homeownership Choice Program or a similar program and from the Community Development Block Grant (CDBG) Program. The Connellsville Main Street Program will be supported with funding from DCED's Main Street Program (applied) and private donations.

NSP funding will also complement other funding sources that were used in Masontown to acquire the lot and demolish its dilapidated structure. This funding includes Local Initiatives Support Corporation (LISC), DCED Core Communities, and CDBG.

## **4. Demolition Activities**

The Fayette County NSP includes the demolition of 51 homes; 48 in Uniontown's Gallatin Avenue and East End Neighborhoods, and three dilapidated foreclosed homes. The foreclosed homes will be located in Uniontown, Connellsville, or Masontown.

Under the NSP, five new homes will be built, three in Masontown and two on vacant lots of previously foreclosed homes. In addition to these homes, a number of new homes will be constructed in Uniontown as part of the Gallatin Avenue Elm Street Revitalization Plan. Twenty-five new homes for low- and moderate-income families will be built in the area where much of

the NSP demolition will occur. The Gallatin Avenue Plan also includes a senior housing development and many new homes on scattered lots throughout the neighborhood.

The new homes constructed as part of the NSP and the Gallatin Avenue Neighborhood complement other new construction in Fayette County to help meet the housing needs of low- and moderate- income families. Other new construction activities include:

- Fayette County Housing Authority – Laurel Estates – 56 affordable rental units; The Redevelopment Authority partnered with the Housing Authority on this initiative by applying for funding to support this development.
- Threshold Housing – Stone Church Estates – 23 new homes; This project was a joint effort between Threshold Housing and the Redevelopment Authority where the Authority provided project management and project administration services.
- City Mission – Liberty Park Apartments – 4 new units for homeless families; The Authority assists City Mission with financial reporting activities for this and other projects.
- East End Elm Street Program – A number of new homes will be added to this neighborhood as part of its revitalization.

### **C. Summary**

The Fayette County NSP initiative aims to strengthen several of the County's fragile communities that have been particularly affected by recent increases in home foreclosures with its support for home rehabilitation, property demolition, new home construction, and neighborhood improvements. These activities draw upon the resources of other revitalization projects that are already underway throughout the County to make a long-term, positive impact in Fayette County neighborhoods.