



CITY OF NEWBURGH

**CONSOLIDATED HOUSING AND
COMMUNITY DEVELOPMENT ACTION PLAN
AND
COMMUNITY DEVELOPMENT BLOCK
GRANT APPLICATION**

FISCAL YEAR 2012

Prepared By:

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A. Introduction / Executive Summary

The City of Newburgh One Year Action Plan for 2012 proposes to use \$830,000 of CDBG Entitlement funds and \$20,000 in program income to undertake 2012 activities. The total annual funding for 2012 is projected at \$850,000 to the City of Newburgh for its' community development efforts. Funds will be allocated on housing and community development activities including, demolition, scattered sidewalk/ street improvements, workforce development and special economic development projects, and rehabilitation of owner occupied and rental housing activities.

The majority of activities will be carried out in the Lander St. primary target area and census tracts 4 & 5 secondary target area. It is estimated that 70% or more of the CDBG funds will be directed to the primary and secondary target areas through programs and projects aimed toward the provision of decent housing, the provision of a suitable living environment and the expansion of economic opportunities. Some activities will serve residents City-wide.

2012 represents the third year of the five year action plan which addresses three goals established by federal statute for these programs: providing decent housing; providing a suitable living environment; and providing expanded economic opportunities. These programs are primarily aimed to benefit families and individuals of low to moderate income.

The Consolidated Plan, as required by HUD, is an important policy document. It sets forth both housing and community development needs and establishes priorities and strategies for meeting those needs, consistent with available funding sources. Each years Annual Action Plan should be consistent with the goals represented within that plan.

Community Development needs the City of Newburgh include four broad categories:

- Rehabilitation of Private Property;
- Infrastructure Improvements;
- Economic Development/Job Creation;
- Public Services.

B. Goals and Previous Performance Evaluation

MEETING OBJECTIVES

The City of Newburgh realizes that CDBG funding is a limited resource and as such a targeted approach is the most productive approach. Moreover, the following objectives were identified as a priority issues to be addressed with the neighborhoods during this five year plan.

Objectives identified in the Five Year Strategy are summarized as follows:

1. Provide rehabilitation assistance.
2. Provide opportunities for additional ownership and rental housing.
3. Expand the supply of affordable housing in good condition that meets the needs of the City's diverse households and family structures.
4. Upgrade the physical condition of targeted areas and City as a whole; create and retain jobs, and provide housing opportunities close to employment opportunities.
5. Maintain, repair and upgrade infrastructure to support revitalization and rehabilitation.
6. Provide limited resources to public and non-profit organizations that provide services to low income households.
7. End chronic homelessness and move families and individuals to permanent housing and eliminate homelessness due to housing market conditions by stabilizing housing tenure through financial and policy supports.
8. Expand crisis supports to meet the needs of homeless households and those potentially facing homelessness.
9. Reduce the number of families living in poverty.
10. Reduce lead based paint hazards in the City.
11. Subsidize rental assistance through non-profit agencies for the HIV/AIDS population in Orange County.
12. Enhance opportunities for housing and support services for special needs populations.
13. Continue to identify and address major impediments to the creation of affordable housing at the local level.

EVALUATION

Overall, the City aims to achieve the three goals established by federal statute for these programs: provide decent housing; provide a suitable living environment; provide expanded economic opportunities.

Affordable Housing: The City has provided support to residential property owners and funded a down payment assistance program, completed 15 homeowner and rental units rehailitation projects. The City has also created and incorporated the

first land bank in NYS with the goal of creating an affordable, decent living environment.

Suitable Living Environment: In 2011 the City will complete the pre-bid work to begin construction on major infrastructure improvements. This includes streetscape improvements and demolition of 20 hazardous City-owned properties.

Economic Development: The City of Newburgh has established a small business loan program and rental subsidy program, with the goal of increasing employment. Most notably, in 2011 the City of Newburgh adopted HUDs section 3 plan, as well as contracted with Workforce Development Institute, to develop a comprehensive training program that would meet the needs of Newburgh residents, address training gaps, and industry needs.

C. Source of Funds

The Anticipated revenue for the 2012 program:

\$830,000 anticipated grant award

\$20,000 program income (source: previous loan payments)

Program	Amount:	Use:
Administration	\$112,592	Funding of staff and administrative costs. .5fte office manager and CD Director. Temporary Analysis of impediments planning. System upgrades.
In-Rem Stabilization Program	\$31,912	Program to maintain tenants and properties received via foreclosure process. Temporary DPW staff and .5 FTE Property Manager.
Home Ownership Rehabilitation	\$55,791	A grant/ loan program for low income residents to make home improvements. .5 FTE Housing Loan Officer and Code Enforcement Officer
Economic Development- Job Training	\$90,000	Phase II. Coordinated Workforce Development plan.
Demolition	\$200,000	Demolition of Hazardous Buildings within Census Tract 4 & 5
Scattered Sidewalk/ Street Improvement	\$150,000	Improvements to streets and sidewalks in census tract 4 & 5
Special Economic Development Activities	\$ 117,958	Coordination of Special Development Projects, Commercial Façade Development, and the Development of identified industrial buildings through partnerships with Landbank, Industrial Development Agency. .5 FTE CD Director and economic development specialist
Newburgh Mural Project	\$30,000	Development of Public Art via murals in Census tract 4 & 5.
Fair Housing Counseling	\$26,747	As a result of the Analysis of Impediments, the City will contract a pilot an implementation program

Community & Youth Programming	\$35,000	Leverage 2011 funds to provide grants to not for profit organizations for youth service activities. There are \$15,000 remaining unallocated from 2010
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Total Funding Requests: \$ 850,000

D. Statement of Specific Objectives

During 2012, activities will be undertaken to meet the following objectives identified in the 5 year comprehensive plan.

Economic Development:

OBJECTIVE:

- Upgrade the physical condition of the targeted areas and the City as a whole, including the Lander Street area identified in the 5 year comprehensive plan, to reduce and prevent blight, create and retain jobs, and provide housing opportunities close to employment opportunities.

ACTIVITIES

- Fund clearance and demolition activities as appropriate to address blight and hazardous conditions.
- Combine CDBG funds with other program funds and private sector commitments as public private partnership for redevelopment within this blighted area.
- Utilize CDBG funds for façade grants in commercial corridors and develop loans for new/ expanding businesses that will enhance commercial rehabilitation, business expansion or job development.
- Provide rental assistance to start-up businesses
- Provide funds to upgrade infrastructure, including street, sidewalk, recreation and utility systems.
- Encourage development of supports in the City's neighborhoods for workforce and economic development, including but not limited to enhance child care, business services, transportation to neighborhoods and city centers, and amenities that support business development such as neighborhood parks, well maintained streets, community gardens and arts and culture.

Suitable Living Environment:

OBJECTIVE

- Maintain and upgrade infrastructure and facilities in order to support revitalization and rehabilitation in blighted areas.

ACTIVITIES

- Fund street and sidewalk repairs in targeted area.
- Remove architectural and sidewalk barriers to enable handicapped and senior accessibility where eligible

Affordable Housing

OBJECTIVES:

- Expand the supply of affordable housing in good condition that meets the needs of the City's diverse households and family structures.
- Continue to identify and address major impediments to the creation of affordable housing at the local level.
- Provide rehabilitation assistance.
- Provide opportunities for additional ownership and rental housing.

ACTIVITIES

- Support the efforts of the Newburgh Community Land Bank.
- Provide rehabilitation assistance to property owners and purchasers of city-owned properties.
- Support the creation of new quality rental units.
- Provide financial assistance to income eligible residents for labor and material costs to make necessary repairs.
- Support the loan committee in assisting the implementation of the financial assistance program.
- Fund clearance and demolition activities as appropriate to address blight and hazardous conditions.
- Identify additional funding to support innovative housing development and stabilization activities.

OBJECTIVE

- Provide resources that provide services to low income households.

ACTIVITIES

- Provide residents in targeted low and moderate income are neighborhoods support through implementing anti-gang/ youth violence reduction activities.
- Target public services to low income families including literacy, education, and job training services
- Support youth and employment programs that will lead to job opportunities for area residents.

Affordable Housing Cont.

OBJECTIVE

- Support for Homeless and Transitional Housing Services

ACTIVITIES

- Strengthen partnerships and participation in the Orange County Housing Consortium
- Support applications submitted by the Orange County Housing consortium and its participating agencies to HUD under the SUPERNOFA
- Work with local agencies to strengthen homeless and transitional housing initiatives.

E. Program Narrative

PLANNING OVERVIEW

The City of Newburgh, aims to develop housing, workforce and economic development policies through a comprehensive planning process. Recent planning initiatives have included the Comprehensive Sustainable Master Plan, Impediments to Fair Housing Analysis, 5 Year Comprehensive Plan and most recently, a Distressed Properties Analysis. From each of these studies, an overarching priority developed: to provide suitable affordable housing for owners and renters of mixed incomes.

The community development block grant funding is utilized annually to support actionable items, as identified in these guiding documents, to address both the high level of neighborhood blight the rising level of poverty within the City.

In 2010, the City of Newburgh partnered with Pace University to evaluate and address distressed properties and in the process, set the stage for the future revitalization of the physical and social fabric of the City. The recommendations of this study are organized around three key areas of opportunity 1) Future Land Use Plan, 2) Enhance Local Property Condition Codes and Their Enforcement, and 3) Remediate distressed structures. In 2012, the Community Development Block Grant funds will support the following specific recommendations:

- Develop a program for remediation of demolition of unsafe buildings.
- Support Newburgh Community Land Bank as well as the maintenance of tax in-rem foreclosures.

- Develop a comprehensive three year economic development program in collaboration with the City of Newburgh Industrial Development Agency and other public and private partners.

The following narrative provides an overview of each specific initiative and is divided into three components: Housing Development Workforce Development and Service Activities

HOUSING COMPONENT

Impediments to affordable housing include the high cost of rehabilitation and expanding deteriorating housing stock. 32% of owners experience housing problems. Over 70% are extremely low income owners (approximately 149 households) experience housing problems, as indicated in the 5 year plan. This calculation equals the percent of cost burdened households. Additionally, in foreclosure rates continue to increase City-wide, both via tax foreclosure and the private market. These conditions create a considerable drain on neighborhoods. A comprehensive approach consistent with the five year comprehensive plan includes.

Tax Foreclosure Stabilization

The City of Newburgh has acquired over 100 properties, via tax foreclosure proceedings, over the last two years. To prevent the abandonment of this housing in primarily low income neighborhoods CDBG funds will be utilized to make essential repairs and cover the operating expenses to stabilize the buildings and keep tenants within the properties where possible. Funds are used for materials, two laborers and a part time property manager.

Home Rehabilitation Programs

This program seeks to continue funding of both homeownership and rehabilitation to rental units. Funds will assist in the production of new quality rental units and provide assistance in the form of loans, grants, loan guarantees, interest subsidies and other forms of assistance for rental housing rehabilitation projects including health and safety, and energy efficiency improvements. Similarly, funding will address owner-occupied rehabilitation. Funding for the staff as well as a fund to support health and safety, energy efficient and lead mitigation programs. 70% of efforts within targeted area. An additional element in 2012 will be a coordinated partnership with the Newburgh Community Land Bank to rehabilitate previously vacant property into new rental or homeownership units.

ECONOMIC & WORKFORCE DEVELOPMENT COMPONENT

One of the leading barriers to affordable housing is income, more so the lack of income, on the part of Newburgh households to afford the housing market place. The economic development activities will support the continuation of the small business development program, workforce training and development as well as youth education and employment.

Economic Development Job Training

The Job Training Component is to design to support economic development activities. According to the 2009 unemployment data used by the US. Economic Development Agency, the unemployment rate for census tract 4 is 25%. During the same time period the national unemployment rate was 7.2%. During the final quarter of 2010 and the beginning of 2011, the Workforce Development Institute will be working with education and training partners to design a program modeled after Real Jobs NY to address some of the barriers to employment, as well as address the challenges of the training and education providers. Further, the efforts will be coordinated to support the employment needs of Section 3 projects including demolition and streetscape improvements. The training will support the Newburgh Community Land Bank, as well as the economic development initiatives of TSEC partnership, which works to train employees and attract clean energy businesses to the City of Newburgh and the region.

Scattered Sidewalk/ Streetscape Improvements

Leveraging funds from 2011, the City will allocate additional funds for streetscape improvements within the target areas. During the fall of 2011, the City will conduct neighborhood and community meetings to identify a standard neighborhood streetscape. Construction will commence Spring of 2012. This is a section 3 activity. Funding includes all preconstruction and construction work.

Demolition

Leveraging the 2010, 2011 funding and previously allocated Section 108 funding, the City will continue to demolish safety hazards located with the primary targeted development. This activity is in partnership with the Newburgh Community Land Bank, which will be charged with the redevelopment of these sites. Demolition projects will begin in the fall of 2011. This is a section 3 activity. Funding includes all preconstruction and construction work.

Special Economic Development Projects

The special economic development activities is to create or retain jobs and generate increased economic activity within the City of Newburgh with the goal of improving economic and social viability and vitality. This will be done in partnership with the City's Industrial Development Agency. This three year program will include assessment, preliminary outreach to small businesses, job training, cataloging of local and state program for business skill development. The program will also include the coordination of microeconomic services, commercial and industrial site identification, development and marketing as well as the creation of a Small Business Straight Lease program to enable small businesses to utilize benefits (sales tax abatement, payment in lieu of taxes and abatement of mortgage recording taxes) available to larger companies.

The City of Newburgh Industrial Development will design a simple application and straight lease contract program for CDBG clients. In addition, the IDA will work closely with new projects in an effort to ensure that CDBG area residents are

considered when new jobs are created. Funding supports an experienced economic development/financing specialist and legal staff to create and process a streamlined small business program.

PUBLIC SERVICE PROJECTS

CDBG funds can be allocated to support new services or an increase in existing services that benefit the community. These activities range public safety activities, health services, youth services, and fair housing programs. Only 15% of the grant received by HUD as well as the previous year's program income can be utilized for this category of service.

Youth and Community Services

This ongoing program for community and youth services providers. Grants will support programs that further community education goals, and prevent gang violence and youth criminal activities, deter youth from joining gangs and to redirect gang involved youth from gang activities. Efforts have been prioritized that target public services to low income families including literacy, education, and job training services. This is a competitive grant program that is issued in the spring of each year. Funds are dedicated to the identified organizations.

Mural Project

This is a pilot project modeled after Philadelphia and Portland Oregon. The City will develop a committee to administer the program in conjunction with staff. Public and/or private "walls" will be selected and a request for proposals will be distributed. Artists and organization will be selected and receive stipends for their mural work.

Fair Housing Counseling

The City is working to complete the analysis of fair housing impediments. As a recipient of Community Development Block Grant (CDBG) funding from HUD, the City of Newburgh is required to affirmatively further fair housing. HUD requires the following from the grantees: 1) Conduct an analysis to identify impediments to fair housing choice within the jurisdiction; 2) Take appropriate actions to overcome the effects of any impediments identified through the analysis; and, 3) Maintain records reflecting the analysis and actions in this regard.

This program will be based on the completion of the analysis of fair housing impediments, and may include mediation between landlord and tenant. Funding will fund development and administration of program.

F. Affordable Housing

County HOME Funds (received by Orange County as the grantee), low-income housing tax credits and private investment have historically contributed to the rehabilitation of low-income rental housing. It is anticipated that these, or similar investments, will continue to occur in the City. A number of activities are aimed at increasing homeownership opportunities for Newburgh residents.

G. Other Actions

Other actions the City of Newburgh will carry out during Federal fiscal year 2011 are outlined below:

1. Institutional Structure/Service Delivery

The City of Newburgh created a Department of Planning and Development in 2004. This effort allowed the City to strengthen the delivery of housing and community development services and improve accountability and service delivery. The City continues to administer the CDBG program through its Department of Planning and Development. The City historically implemented CDBG activities itself and has collaborated with community partners and with other governments to deliver services. This service delivery structure will continue.

2. Foster and Maintain Affordable Housing

The primary barrier to affordable housing is the lack of income on the part of Newburgh households to afford housing in the marketplace. This problem is compounded by the level of physical deterioration of the housing stock with the resultant high costs of rehabilitation. The homeowner and rental rehabilitation programs will provide opportunities for re-use of vacant and foreclosed properties, among others, for affordable housing purposes. Areas of Census Tracts 4 and 5 are located in the City's historic district.

3. Anti-Poverty Strategy

The primary focus of Newburgh's actions to reduce the number of poverty level families will be to support economic development programs with the goal of increasing employment opportunities for these families. The City is focusing on small business development by providing rental assistance and loans with the intent that additional jobs will be created within the key business corridors. Additionally, the City will continue to plan the development of a comprehensive workforce development and economic development approach.

4. Evaluate and Reduce Lead Based Paint Hazards

As indicated in the Strategic Plan, the City will continue to work with the Orange County Health Department and its Childhood Lead Poisoning Prevention Program to reduce the number of housing units containing lead-based paint. All units rehabilitated with CDBG or HOME assistance must be abated in accordance with

applicable regulations. The City is working with the Orange County Office of Community Development to improve capacity by providing training to contractors on all phases of lead abatement.

5. Coordination

The City of Newburgh Department of Planning and Development coordinates the resources available through the CDBG, HOME and other programs. The Department and its staff also work closely in a cooperative fashion with various city departments and agencies to maximize positive impacts through efficient use of resources.

The City plans to continue its participation in the Orange County HOME consortium which will help to coordinate public efforts to create affordable housing. The City will also continue to work with the county and local housing and social service agencies on Continuum of Care efforts.

6. Public Housing Improvement and Resident Initiatives

The Newburgh Housing Authority was consulted during this consolidated planning process. It is the intention of the Newburgh Housing Authority (NHA) will continue to make improvements to the assisted housing units under its management. The Authority does not qualify for Comprehensive grant funds since it does not meet the minimum unit threshold (250 units). However, the Authority has received CIAP funds for a variety of improvements in the past. The Authority intends to continue this improvement program during the coming year. The City of Newburgh will continue to provide technical assistance to NHA as appropriate.

H. Analysis of Impediments to Fair Housing

The City of Newburgh conducted Impediments to Fair Housing Analysis (AI) in 2006. This analysis included demographics; information on fair housing complaints; identification of impediments in the public and private sectors; and an assessment of the City's fair housing programs and activities. The analysis found that there were existing conditions related to housing availability, which were considered in relation to the ability of low-income communities and communities of color to secure safe and affordable housing. The primary barrier to affordable housing was found to be the lack of income on the part of Newburgh households to afford housing in the marketplace. This problem was found to be compounded by the level of physical deterioration of the housing stock and the resultant high costs of rehabilitation. Other existing conditions related to housing availability identified in the AI were: (1) the high level of residents reporting a disability; (2) language barriers; (3) the highest concentration of vacant and abandoned housing is in the lowest income, and most ethnically diverse neighborhoods, such as Census tract 4; (4) the City's most challenged neighborhoods occur along with the highest concentration of both poverty and racial/ethnic minority concentrations.

The analysis recommended a review of lending institutions underwriting practices and an analysis of approaches to improving transportation to increase access to employment opportunities outside the City.

The City began an analysis of impediments in June 2011. This process has included a large community outreach component and policy review. The City anticipates completion of an impediments analysis in 2012. The City will also pilot a program to address any impediments to fair housing identified as a part of the process.

I. Monitoring

The City of Newburgh Department of Planning and Development will monitor use of CDBG funds and the achievement of established goals. The Department will gather performance data from implementing agencies as well as monitor activities carried out directly by the City itself. The Department prepares a status report which assess progress and recommend programmatic revisions and/or amendments as appropriate.