

# Executive Summary

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

### 1. Introduction

Pursuant to requirements by the United States Department of Housing and Urban Development (HUD), the City of Middletown has prepared the Community Action Plan for Program Year 2019. The objective is for the City to retain eligibility for federal funds such as those already received through HUD's Community Development Block Grant (CDBG) program.

The goal of the Action Plan is to organize and evaluate the efforts of the Middletown municipal government and its residents in defining, determining, debating and, if need be, amending the ideas and policies proposed in the 2015-2019 Consolidated Plan that was prepared by the City's Office of Economic and Community Development and adopted by Middletown's Common Council in 2014.

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

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

During the 2019 Program Year the City of Middletown will address the needs and objectives identified by the municipality in the 2015-2019 Consolidated Plan: enhancing the affordability and sustainability of the housing stock and to create economic opportunities for residents. During the coming year, the City of Middletown, through the Office of Economic and Community Development (OECD) will execute projects using CDBG funds in order to combat the most glaring and widespread problems faced by the population:

A. Inadequate Housing

B. Unemployment and Job mobility

The age of the housing stock in the City of Middletown and the attendant cost burden are challenging obstacles. The City, through its CDBG programs, will continue to actively pursue the goal of securing safe, affordable housing and employment in a challenging economic environment.

### 3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Through the CDBG program, the City of Middletown provides safe, affordable housing and employment opportunities for low and moderate income persons throughout the jurisdiction. The Housing Rehabilitation Program is designed to provide low/moderate income residents living in owner-occupied or rental houses with safe, weather insulated dwellings. The Code Enforcement component of the program serves as a rehabilitation support service and a liaison between contractors and recipients throughout the duration of a project. Housing Rehabilitation activities are available throughout the City for all eligible program recipients. Each year at least 19 units are rehabilitated, virally improving neighborhoods as information about the program is passed from neighbor to neighbor.

Non-owner occupied multi-family units are particularly difficult to bring into the program. Additional outreach is being conducted through mailings, neighborhood canvassing, working with the City's code enforcement officers and public service announcements.

The cost burden of housing in the City is an intrinsic reason for the Housing Rehabilitation Program. (See the Housing Cost Burden Report in the Appendix)

Outreach to seniors, STAR recipients and families with young children, water bill flyers, a presence at city-sponsored and other community events has increased exposure of the program to residents.

The Middletown Community Development Agency (CDA), which is NOT funded by the CDBG program, does substantial rehabilitations on homes which have fallen into city ownership and sells them to first time homebuyers who receive a grant or grants (from various sources) that reduces the sale price to below market value.

The Economic Development portion of OECD's program is designed to assist businesses in locating and expanding within the City of Middletown. The Economic Development program provides Small Business Loans (SBL) as well as guidance to prospective borrowers. SBLs are designed to fill the financing gap between private funds and available equity required by a small business to meet its needs. The City may occasionally grant funds for projects that assist in the accomplishment of economic development objectives. In addition, OECD has participated in the Section 108 Loan Guarantee Program whose funds have been made available to development projects in Middletown. Restaurants, medical offices, light manufacturing facilities, barbershops and salons as well as auto body repair businesses, linen supply and laundry businesses have all benefited from the program providing jobs and economic stability to low and moderate income persons.

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

Summary from citizen participation section of plan.

Pursuant to the federal regulations that require the solicitation of public opinion in the creation of Consolidated Plans, the City of Middletown utilizes a Citizen Participation Plan adopted by the Common Council. In addition to following this plan, the Middletown OECD is frequently in contact with local, private, non-profit and public sector groups who work in the housing and supportive service field.

In order to solicit resident input, the OECD scheduled two (2) public hearings and published notices in both English and Spanish in the *Times Herald-Record*, the regional daily newspaper, and the OECD website. The first (09/17/18) was to solicit citizen input in advance of the preparation of the draft Annual Action Plan. The second hearing (11/01/18) follows a 30 day public comment period (10/01/18 to 10/31/18) in which the first draft, inclusive of citizen input from the first public hearing, is made available to the public for comment.

The Consolidated Plan and Action Plan are also made available through the Community Development page on the City of Middletown's website ([www.middletown-ny.com](http://www.middletown-ny.com)) and at the Middletown Thrall Library.

## **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

There was one attendee at the first public hearing on 09/17/18, no comments were made. There were XX attendees at the second hearing (11/01/18). No comments were made. The public comment period (10/01/18 to 10/31/18) did not generate any comments.

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

There was one attendee at the first public hearing on 09/17/18, no comments were made. There were XX attendees at the second hearing (11/01/18). No comments were made. The public comment period (10/01/18 to 10/31/18) did not generate any comments.

## **7. Summary**

The City of Middletown estimates that it will use a total of \$851,031.00 to accomplish the goals and objectives of the 2019 Annual Action Plan.

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

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

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
Lead Agency	MIDDLETOWN	
CDBG Administrator	MIDDLETOWN	Office of Economic and Community Development
HOPWA Administrator		
HOME Administrator		
HOPWA-C Administrator		

**Table 1 – Responsible Agencies**

**Narrative**

**Consolidated Plan Public Contact Information**

City of Middletown

Office of Economic and Community Development

16 James Street

Middletown, NY 10940

Maria Bruni, Director

phone: 845-346-4170

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

### **1. Introduction**

Jurisdictions are required, pursuant to 24 CFR 91.100, to consult with other public and private agencies when developing the Consolidated Plan. The following consultations are required for local governments:

- Public and private agencies that provide health services and social and fair housing services;
- State or local health and child welfare agencies in regard to lead-based paint hazards;
- Adjacent governments regarding non-housing community development needs, problems and solutions that go beyond a single jurisdiction;
- Local public housing agency concerning public housing needs, planned programs and activities.

#### **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(l)).**

The City of Middletown defers to Orange County to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies, since those services are provided or contracted out by the county for the entire county. The City maintains a close relationship with the Orange County Office of Community Development (which is located within the jurisdiction) and constantly monitors the provision of services within the jurisdiction as is indicated in in Table 2.

#### **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.**

Orange County contracts with Continuums of Care to address the needs of homeless persons. The City is in regular contact with Orange County Community Development and there exists a close working relationship between the two agencies. HONOR and RECAP are the major agencies which address the needs of homeless persons and those at risk of homelessness within the jurisdiction.

#### **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**

Orange County contracts with Continuums of Care to address the needs of homeless persons county-wide. The City is in regular contact with Orange County Community Development with whom there is a close working relationship. The groups below are monitored and/or met with to ascertain programs, benefits and community needs.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

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

1	<b>Agency/Group/Organization</b>	Regional Economic Community Action Program
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-homeless Services-Health Services-Education Services-Employment
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs Market Analysis
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The City of Middletown has a working relationship with RECAP. In addition to consultation with staff members, the jurisdiction gathered the most recent annual report, program brochures and information from the entity's internet presence.
2	<b>Agency/Group/Organization</b>	HONOR ehg
	<b>Agency/Group/Organization Type</b>	Services-homeless

	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent annual report and program information was gathered. The new director made contact with the OECD, staff members were interviewed for specific information regarding the consolidated plan for the jurisdiction. The Point-in-Time Homeless Count conducted by this agency was also consulted.
3	<b>Agency/Group/Organization</b>	Independent Living
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Persons with Disabilities Services-homeless Services-Employment
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent reports and program information was gathered and reviewed.
4	<b>Agency/Group/Organization</b>	PathStone Inc
	<b>Agency/Group/Organization Type</b>	Services - Housing Service-Fair Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Anti-poverty Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent annual report and program information was gathered. Staff members were interviewed for specific information regarding the consolidated plan for the jurisdiction. Relevant statistics were reviewed. The Middletown Community Development Agency also works with PathStone to develop affordable single family owner-occupied housing.
5	<b>Agency/Group/Organization</b>	Orange County Office of Community Development
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs Market Analysis Economic Development Anti-poverty Strategy Lead-based Paint Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent reports and program information was gathered. Staff members were interviewed for specific information regarding the consolidated plan for the jurisdiction. The draft Consolidated Plan for this agency was also consulted for Continuum of Care purposes as well as all other areas of the jurisdictions Consolidated Plan The OECD also has a close working relationship with the County Office and occasionally partners on HOME/CDBG housing rehabilitation projects.
6	<b>Agency/Group/Organization</b>	Orange County Department of Social Services
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Persons with HIV/AIDS Services-Victims of Domestic Violence Services-homeless Services-Health Services-Education Services-Employment Child Welfare Agency
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent reports and program information was gathered and reviewed to determine the availability of services.

7	<b>Agency/Group/Organization</b>	Occupations, Inc.
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Persons with Disabilities Services-Employment
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent reports and program information was gathered and reviewed to determine the availability of services.
8	<b>Agency/Group/Organization</b>	AHRC
	<b>Agency/Group/Organization Type</b>	Housing Services-Children Services-Persons with Disabilities Services-Education Services-Employment
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent reports and program information were gathered and reviewed to determine the availability of services
9	<b>Agency/Group/Organization</b>	Orange County Dept of Health
	<b>Agency/Group/Organization Type</b>	Services-Health Other government - County

	<b>What section of the Plan was addressed by Consultation?</b>	Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent reports and program information were gathered and reviewed to determine the availability of services. Staff was interviewed concerning lead-based paint hazards.
10	<b>Agency/Group/Organization</b>	Middletown Housing Authority
	<b>Agency/Group/Organization Type</b>	Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs Market Analysis Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The most recent reports and program information was gathered and reviewed to determine the availability of services. Staff was interviewed concerning Public Housing Needs and the Market Analysis.
11	<b>Agency/Group/Organization</b>	MIDDLETOWN
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Market Analysis Anti-poverty Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The OECD is a department of the City of Middletown and works closely with all city departments and agencies for the betterment of all citizens within the City.

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

**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?
Continuum of Care	Orange County Community Development	The City and the County agree that affordable housing is a priority as is economic development. The city will concentrate on job creation while the county will focus its efforts on job readiness and skill training.

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

**Narrative**

**AP-12 Participation - 91.401, 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**

There were several opportunities for citizens to participate in the 2019 Action Plan process. Public hearings were held in advance of the draft Consolidated Plan (09/17/18) and again at the completion of the final draft (11/01/18). A 30 day public comment period (10/01/18 to 10/31/18) was held before the submission of the final draft.

Each opportunity was advertised in the newspaper of record for the community, the Times Herald-Record and on the City of Middletown website. Copies of the plan were available at the OECD Office in the Middletown City Hall, the Middletown Thrall Library and on the City of Middletown website.

**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 Hearing	Non-English Speaking - Specify other language: Spanish  Non-targeted/broad community	One person attended	No comments were made	All comments were accepted	

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)
2	Public Comment Period	Non-English Speaking - Specify other language: Spanish  Non-targeted/broad community	not applicable	No comments were received	No comments were received	
3	Public Hearing	Non-English Speaking - Specify other language: Spanish  Non-targeted/broad community				

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

#### Introduction

The City of Middletown will use a combination of the 2019 Entitlement Grant (an estimated \$531,844) prior year entitlement funds (\$156,282) and program income from various years (\$162,905) to accomplish the goals and objectives of the 2019 Annual Action Plan.

The 2019 proposed budget, projects and activities are based on the 2018 CDBG allocation. Should the grant award change, the program budget may be adjusted and amount available for each activity may also be adjusted. However the number of activities will, most likely remain the same.

#### 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	531,844	162,905	156,282	851,031	127,660	Prior year resources are estimated as is the current year program income. It is expected that current year entitlement funds of \$531,844 plus prior year entitlement funds of \$156,282 plus program income of \$162,905 including current year (2019) program income of \$30,000 (for admin) will be utilized for the administration, projects and activities of the 2019 Action Plan.

**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**

Projects listed in the Annual Action Plan are funded solely by CDBG funds and/or CDBG Program Income.

The Small Business Loan program utilizes CDBG funds to support Economic Development through job creation. The small businesses that receive these funds from the City generally have a mix of their own funds and bank commitments and occasionally Small Business Administration and other loans or grants to fund their projects. The City of Middletown provides gap financing for the purchase of equipment.

The City is also able to partner with Orange County HOME to supplement the City's Housing Rehabilitation Program activities when necessary.

While there are City programs and New York State Grants that dovetail or complement CDBG programs, currently no funding is utilized from other sources to complete CDBG projects.

The City has been successful in applying for New York State Empire State Development Grants (Restore NY, ESD) New York State Downtown Revitalization Grant. The City has also applied for several other grants including a NYS Transportation Alternatives Program Grant and a federal EDA grant, NYS SAM Grant and a Federal EPA Cool and Connected Technical Assistance Grant during 2016 and expects to continue applying for grants to complement CDBG activities, especially economic development.

The New York State Downtown revitalization Grant, awarded in 2016 will infuse \$10 million into the City of Middletown's Downtown. \$1 million has been allocated to facade improvements in the Downtown. Approximately \$100,000 of CDBG funds may leverage that \$1 million to assist in financing individual facade projects.

***The NYS Downtown Revitalization award of \$10 million included a portion set aside to redevelop an old Woolworth's store that had been empty for approximately 25 years. A Race 4 Space competition was held to solicit tenants with unique business endeavors to locate their. The applicants, who did not win a space but did have innovative and sustainable presentations were be offered a package incentivizing them to locate elsewhere in the downtown.***

**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 of Middletown has created a Community Development Agency, separate from the CDBG program, to substantially rehabilitate blighted residential properties acquired by the city. These homes will be substantially rehabilitated and sold to eligible homebuyers who will receive grant assistance through the CDA's homeownership program for low and moderate income families. These families may also be eligible for assistance through the City's CDBG Housing Rehabilitation Program once they own the home should any further work need to be done.

**Discussion**

Consistent funding levels for CDBG programs will assist in fulfilling the goals and objects of the 2015-2019 Consolidated Plan.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Rehabilitation	2015	2019	Affordable Housing	Middletown, New York	Code Enforcement Multi-Unit Housing Rehabilitation Single Family Housing Rehabilitation	CDBG: \$327,675	Rental units rehabilitated: 9 Household Housing Unit Homeowner Housing Rehabilitated: 15 Household Housing Unit Housing Code Enforcement/Foreclosed Property Care: 24 Household Housing Unit
2	Economic Development	2015	2019	Non-Housing Community Development	Middletown, New York	Economic Development	CDBG: \$97,801	Jobs created/retained: 10 Jobs Businesses assisted: 2 Businesses Assisted

Table 6 – Goals Summary

#### Goal Descriptions

1	Goal Name	Housing Rehabilitation
	Goal Description	
2	Goal Name	Economic Development
	Goal Description	



## AP-35 Projects - 91.420, 91.220(d)

### Introduction

The following projects will support the City's efforts to create sustainable and affordable housing and assist in providing jobs to low- and moderate-income families.

Citizen Participation version: The projects and funding described in the 2019 Action Plan are based on the CDBG award letter for Program Year 2018. Depending upon funding available in Program Year 2019 project budgets may be adjusted and the number of activities for each project may change and/or the budget available for each activity may be adjusted to reflect the overall Program Year funds available.

#	Project Name
1	Administration and Planning
2	Single Family Housing Rehabilitation
3	Multi-Unit Housing Rehabilitation
4	Code Enforcement
5	Direct Homebuyer Assistance
6	Economic Development

**Table 7 – Project Information**

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

**AP-38 Project Summary**  
**Project Summary Information**

<b>1</b>	<b>Project Name</b>	Administration and Planning
	<b>Target Area</b>	Middletown, New York
	<b>Goals Supported</b>	Housing Rehabilitation Economic Development
	<b>Needs Addressed</b>	Single Family Housing Rehabilitation Multi-Unit Housing Rehabilitation Code Enforcement Economic Development
	<b>Funding</b>	CDBG: \$136,368
	<b>Description</b>	Planning and administration
	<b>Target Date</b>	12/31/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	At least 19 families (housing rehab) and 10 individuals/families (economic development) will benefit from the activities supported by the Administration and Planning Project.
	<b>Location Description</b>	All activities take place within the jurisdiction of the City of Middletown.
	<b>Planned Activities</b>	Administration and planning in support of the jurisdiction's CDBG program
<b>2</b>	<b>Project Name</b>	Single Family Housing Rehabilitation
	<b>Target Area</b>	Middletown, New York
	<b>Goals Supported</b>	Housing Rehabilitation
	<b>Needs Addressed</b>	Single Family Housing Rehabilitation
	<b>Funding</b>	CDBG: \$282,665
	<b>Description</b>	The objective of the Single Family Housing Rehabilitation component of the City of Middletown's Consolidated Plan is to assist eligible low- and moderate-income households (owner and renter occupied) to afford safe, weather insulated housing that meets City Housing Code Standards
	<b>Target Date</b>	12/31/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	At least 24 families will benefit from the proposed activity.
	<b>Location Description</b>	All activities take place within the jurisdiction of the City of Middletown.
<b>Planned Activities</b>	Single family housing rehabilitation.	

3	<b>Project Name</b>	Multi-Unit Housing Rehabilitation
	<b>Target Area</b>	Middletown, New York
	<b>Goals Supported</b>	Housing Rehabilitation
	<b>Needs Addressed</b>	Multi-Unit Housing Rehabilitation
	<b>Funding</b>	CDBG: \$113,496
	<b>Description</b>	Multit-unit housing rehabilitation (owner and non-owner occupied)
	<b>Target Date</b>	12/31/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	At least 9 families will benefit from the proposed activities.
	<b>Location Description</b>	All activities take place within the jurisdiction of the City of Middletown.
	<b>Planned Activities</b>	Multi family homeowner occupied and non-home owner occupied housing rehabilitation.
4	<b>Project Name</b>	Code Enforcement
	<b>Target Area</b>	Middletown, New York
	<b>Goals Supported</b>	Housing Rehabilitation
	<b>Needs Addressed</b>	Single Family Housing Rehabilitation Multi-Unit Housing Rehabilitation Code Enforcement
	<b>Funding</b>	CDBG: \$18,675
	<b>Description</b>	The objective to the Code component of the City of Middletown Housing Rehabilitation Program is to support the housing rehabilitation activity with code inspections.
	<b>Target Date</b>	12/31/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	At least 24 families will benefit from the proposed activity.
	<b>Location Description</b>	All activities take place within the jurisdiction of the City of Middletown.
	<b>Planned Activities</b>	Code enforcement inspections in support of the Housing Rehabilitation Program.
	<b>Project Name</b>	Direct Homebuyer Assistance

5	<b>Target Area</b>	Middletown, New York
	<b>Goals Supported</b>	Housing Rehabilitation
	<b>Needs Addressed</b>	Single Family Housing Rehabilitatoin
	<b>Funding</b>	CDBG: \$1,800
	<b>Description</b>	This program has been suspended. Prior year program income funds are supporting the servicing of existing HBA Loans.
	<b>Target Date</b>	12/31/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	The program has been suspended. Currently program income funds are supporting the servicing of existing loans.
	<b>Location Description</b>	All activities take place within the jurisdiction of the City of Middletown.
	<b>Planned Activities</b>	Loan servicing
6	<b>Project Name</b>	Economic Development
	<b>Target Area</b>	Middletown, New York
	<b>Goals Supported</b>	Economic Development
	<b>Needs Addressed</b>	Economic Development
	<b>Funding</b>	CDBG: \$298,027
	<b>Description</b>	The City's Economic Development Program objectives are designed to assist businesses in locating and expanding within the City of Middletown and to create jobs for low- and moderate-income individuals.
	<b>Target Date</b>	12/31/2019
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	At least 10 individuals/families will benefit from the proposed activities.
	<b>Location Description</b>	All activities take place within the jurisdiction of the City of Middletown.
<b>Planned Activities</b>	The City's Economic Development Program objectives are designed to assist businesses in locating and expanding within the City of Middletown and to create jobs for low- and moderate-income individuals. Economic Development funds may also be used to supplement Section 108 repayments as necessary and may also support any public service /facility activities, as necessary.	

## **AP-50 Geographic Distribution - 91.420, 91.220(f)**

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

The City of Middletown is an entitlement jurisdiction under HUD regulations. All projects are available city-wide and within the municipal boundaries of the city of Middletown. There are no geographic priorities. Each housing activity is granted or loaned based on low-mod household incomes. Economic development objectives require that jobs are created or retained. Every effort is made to hire low-mod individuals for the jobs created or retained.

The United States Department of Housing and Urban Development has developed standards to determine if a concentration of minority or low-income households exists in an area.

- A low-income concentration exists if the Area Median Income for a census tract, neighborhood or other geography is below 50% of the Area Median Income for the Metropolitan Statistical Area (MSA).
- A minority concentration exists when the percentage of households in a particular racial, ethnic minority group is at least 20 percentage points higher than the percentage of that minority group for the Metropolitan Statistical Area.
- A minority concentration also exists when the geography's total percentage of minority persons is at least 20 percentage points higher than the total percentage of all minorities for the MSA as a whole.

Concentration profile of Middletown Census Tracts as compared to Poughkeepsie-Newburgh-Middletown, NY Metro Area.

Census Tract 11: minority concentration

Census Tract 12: minority concentration; low income concentration

Census Tract 13: no concentrations

Census Tract 15: minority concentration; just barely over the 50% of AMI at \$42,500

Census Tract 16: no concentrations

Census Tract 151: minority concentration; low income concentration

Census Tracts 151 and 12 tend to be lower income and have a higher concentration of minorities than

other census tracts in the City.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
Middletown, New York	100

**Table 8 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

Investments are not allocated by geography. Rather, since Middletown is an entitlement community, they are allocated city-wide to benefit low and moderate income person either in housing rehabilitation or economic opportunity. See AP50 for a full discussion.

### **Discussion**



## **AP-75 Barriers to affordable housing -91.420, 91.220(j)**

### **Introduction**

Currently there are no public policies that have been perceived as barriers to affordable housing.

**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**

### **Discussion**

## **AP-85 Other Actions - 91.420, 91.220(k)**

### **Introduction**

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

The greatest obstacle to meeting underserved needs is the availability of funding. The City will continue to pursue additional CDBG funding and other resources to complement the CDBG grant and program income currently available.

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

The City's Housing Rehabilitation Program's goal is to foster and maintain affordable housing for low and moderate households, both owner occupied and rentals. In 2016 the Middletown Community Development Agency, which is NOT funded by the CDBG) began a homeownership program wherein former city owned properties are rehabilitated and sold in conjunction with a grant to bring the purchase price down to below market price, to income eligible households. Each potential homeowner is required to receive homebuyer counseling and education through Path Stone to ensure a successful path to new and continued homeownership. To date 4 homes have been sold and 3 more are in the beginning stages of the rehabilitation removing blight and providing affordable homeownership opportunities.

The City supports developers of affordable housing with various mechanisms available to the city. This year alone saw the opening of 2 affordable housing developments, The Mill and Bella Vista, for a total of 204 units.

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

The City contracts with an inspector to conduct lead risk assessments and clearances for each housing rehabilitation activity. In addition, when necessary, the City works with Orange County HOME program on activities in which the lead assessment boosts the rehabilitation costs beyond the scope of the City's CDBG budget.

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

The City of Middletown will continue to work closely with local agencies, encourage coordination of activities and to identify needs and gaps in care. The City has also been able to refer clients to other local agencies when the need arises for services outside of the scope of the CDBG program, enabling them to obtain assistance with utilities, additional repairs, healthcare and other services. The Housing Rehabilitation Program helps maintain a sustainable supply of affordable homes for low and moderate

income families as does the Community Development Agency's First-time Homebuyer Program.

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

It behooves jurisdictions to assure that their Consolidated and Action Plan programs are not hindered by institutional factors. To that end the Office of Economic and Community Development (OECD), the lead agency for the City of Middletown's Consolidated and Action Plans, continually meets with and/or reviews the action plans and annual reports of local agencies and city departments to ascertain gaps in service and the availability of services within the city. (Please see AP-10) Likewise the OECD reviews local and state strategic plans as well as HUD's own 2014-2018 Strategic Plan.

During the first program year the OECD placed particular emphasis on researching housing programs at various agencies to evaluate the available programs and their effectiveness and consider ways in which the OECD can assist agencies, coordinate activities through partnership or leveraging available funds to supplement CDBG programs. Those efforts will be continued along with outreach to the CDA's homebuyer participants who may need further assistance.

During program year 2019 emphasis will be placed on economic development issues and acquiring additional funding mechanisms to encourage new business to locate in the jurisdiction and assist existing businesses to expand, ensuring a climate of job availability and mobility. State and local agencies will be reviewed for programs and funding that can assist the city in its quest.

A climate of economic revitalization, especially for the downtown business corridors will be the focus. Connectivity between residential and commercial areas of the city will be explored, resources for startup businesses will be examined with the assistance of the Orange County IDA, Orange County Business Accelerator, planners provided by the New York State Downtown Revitalization Grant, Orange County Partnership and Hudson Valley Pattern for Progress as well as the Mid-Hudson Regional Economic Development Council.

The City of Middletown will emphasize outreach to multi-family residences, especially those in mixed use buildings.

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

The City will endeavor to continue regular, formal communication with agencies in the jurisdiction to ensure coordination of care and to identify gaps and needs.

The City of Middletown is also a member of the Orange County Housing Consortium which endeavors to develop and evaluate efforts to end homelessness and appoints a board member as a city

representative to the Middletown Housing Authority (an LIHTC entity).

**Discussion**

## Program Specific Requirements

### AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

#### Introduction

Jurisdictions are required to describe activities planned with respect to all CDBG funds expected to be available during the program year.

The City plans to use 100% of its funds to benefit persons of low and moderate income. If necessary a consecutive period of 3 years will be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit person of low and moderate income. This is especially true for economic development activities, which may require additional time to be fully up and running.

At this time the City has no Section 108 proceeds to use in the CDBG program. There are no grant funds that have been returned to the line of credit.

The City receives approximately \$12,000 in program income each month for an approximate total of \$147,000.00 that will have been received during PY 2018 to for use during the program year 2019.

#### 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	127,660
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>127,660</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
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2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. 100.00%

## Discussion

All CDBG housing rehabilitation activities are targeted toward low and moderate income households. Economic Development activities are conducted with the intent to create jobs for low and moderate income person.

The years covered by the 201 action plan for calculating overall benefit are 2018, 2019, 2020. The years covered by the 2019 action plan for calculating overall benefit are 2019, 2020, 2021.

