

Redevelopment Authority of the City of Erie
Proposed Comprehensive Housing Plan
10/04/2021

Mission: The Erie Redevelopment Authority's mission is to **Renew, Rebuild, and Revitalize** the City of Erie, Pennsylvania. Since the 1970s, the Redevelopment Authority has been involved, and will continue to be a part of initiatives and programs designed to improve downtown Erie, neighborhood business districts, and residential neighborhoods.

Purpose: This proposal will position RACE to become the City's primary provider of essential housing resources for the City of Erie and its residents. The goals of this work are directly related to the City's Activating our Vision and will lead to stronger neighborhoods and an increased demand to live and work in the City while improving the quality of life for people.

All programs funded by ARPA will be built around an equitable and inclusive focus on assistance to marginalized populations, particularly those living or working within Qualified Census Tracts (QCT). The RACE Board of Directors will establish an equity policy and work directly with the Erie Neighborhood Growth Partnership (ENGP) to develop programmatic benchmarks and goals for each of the 8 housing programs.

Total 3 Year Programmatic Cost: \$\$15,082,000

1. Blight/Acquisition: \$1,815,000
2. New Production: \$2,272,000
3. Rental Investment: \$2,310,000
4. Housing Rehabilitation Loan: \$3,025,000
5. Minority Contractors Loan: \$500,000
6. Healthy Homes Grant: \$3,180,000
7. Homeownership Incentive Grant: \$990,000
8. Housing and Small Business Preservation Grant: \$990,000

*a maximum of 15% of the proposed budget will be utilized for administration and indirect costs associated with all of the programs

3 Year Outcomes:

- 85 additional demolitions and/or blighted homes are repaired. Rehabilitation and demolition will follow the City's Comprehensive Plan, Erie Refocused, and other City supported strategic plans.
- 180 homes remediated of lead paint and other health hazards
- 25% more RACE owned properties (60 to 70 vacant lots) are put back into productive reuse with new development
- 84 rental properties are improved (from poor condition to good) in the City
- 102 owner occupied homes are brought up to code through the low interest loan program
- 18 small and minority owned contractors are provided support to help carryout much needed rehab work in the City
- 84 families become new homeowners
- Professional staff are added to RACE to help build capacity and effectively administer programs

- RACE becomes the first housing agency to provide comprehensive programs for the City of Erie that will advance workforce level housing
- Millions of dollars is redeployed year after year using this initial on- time investment
- Decreased demand from code enforcement for severe property maintenance issues will save the City money as officers are able to address code issues early in the process
- The overall program directly addresses the following Activating our Vision KPIs
 - Increase population with new home incentives
 - Increase value of homes with loans and grants
 - Promote new investment by neighboring property
 - Improve resolution of code violations
 - Improve quality of rental housing with loans
 - Increase Property investment by using a comprehensive approach to housing
 - Increase jobs for minority and immigrant population
- Support services for new or struggling homeowners will include financial literacy counseling and minor home repair training

Qualified Census Tract Breakdown (analysis from property conditions survey). The RACE Housing Program will be geared to address housing conditions within the QCTs. ARPA funding should be geared toward impactful investments that will have positive results for household located within QCTs,

Qualified Census Tract Breakdown	In QCT	In City
Residential Parcels	(40%) 11,414	28,727
Blight	(84%) 124	146
ERA	(96%) 94	97
Rental	(65%) 5,773	8,818
ELB	(97%) 31	32
Parks	(62%) 29	47
Neighborhood Organizations	(100%) 10	10
Watch groups	(83%) 20	24

Property Type	QCT Excellent	QCT Good	QCT Average	QCT Poor	QCT Unsound	Total Parcels with Condition
All	891	2,960	3,389	1,714	246	9,200
Rental	197	1,130	1,852	1,006	112	4,297
Vacant	3	16	79	138	85	321
Blight	0	3	20	34	45	102

- 21% (+1,900) of all homes in QCT are Poor or Unsound
- 26% (+1,100) of all rental units in QCT are Poor or Unsound
- 36% (+3,300) of all homes in QCT are Average

HOUSING PROGRAMS

Program 1: Increase Blight Removal and Property Disposition
Outcome: increase the number of properties located within QCTs that are acquired and demolished by 85 over 3 years
Cost: \$1,815,000
<p>A continued and aggressive approach to blight within Erie’s declining neighborhoods is needed. The continuation of the aggressive approach to mitigation of the vacant and deteriorated housing stock will infuse reinvestment into the neighborhoods. Without this mitigation effort decline within troubled neighborhoods will only increase.</p> <p>Over the last few years the RACE and the Erie Land Bank have been able to provide interventions on 41 properties throughout the city of Erie. This includes six properties being offered for rehabilitation in an effort to provide homeownership opportunities within the city. The plan for this year is to provide interventions on an additional 23 properties. Of this list it is anticipated that 7 of these properties will be rehabilitated and re-occupied.</p> <p>An investment into blight mitigation efforts will stabilize neighborhoods, provide for private investment and retain homeownership within these areas. This work also returns tax delinquent property’s back to an asset for the city. The blighted property in March contained 136 properties with a combined tax delinquency of \$313,679.</p> <p>Additional efforts by the new property manager will help get RACE vacant lot inventory back into the hands of responsible ownership. Currently RACE has about 100 vacant lots that they must continuously maintain and monitor and do not have a dedicated staff working on finding new owners for these lots. A property manager would also assist the ELB with property disposition.</p>
Program 2: New Housing Production Program
Outcome: Increase new workforce housing in the City by 100 dwellings units over the next 3 years within QCTs
Cost: \$2,272,000
<p>RACE will strategically acquire concentrations of abandoned or blighted properties with the intent for redevelopment opportunities for new housing. This strategy will be in partnership with developers through development agreements and with neighborhood organizations. RACE will employ strategies to develop both scattered site development for new housing in targeted areas and larger, new affordable housing models that will have a clear and positive impact.</p> <p>Recognized neighborhood groups and the ENGP will assist in planning for new development sites based on their goals and expertise within the community. Funds and property acquisition will be leveraged with State, Federal and philanthropic dollars to elevate the impact of projects.</p> <p>Most of the focus for this funding would be on land acquisition/assemblage and pre-development to encourage new housing development opportunities.</p>

Program 3: Rental Investment Program
Outcome: Decrease the # of poor or unsound rental units by 28 per year or 84 over 3 years
Cost: \$2,310,000
<p>The need for quality rentals within Erie neighborhoods is high. Currently market rate rental units within the city are below average quality. If landlords continue to not invest in their properties or the City of Erie, the further decline of neighborhoods is inevitable.</p> <p>The proposed program would provide low interest loans to landlords who own 4 or less rental units within the city. This repayable low interest loan would provide funding to purchase properties and/or eliminate all property maintenance issues on rental property. This investment would prevent residence of the city from leaving for new residential properties in surrounding municipalities and provide affordable and safe housing options for residents. It can also be used in conjunction with other housing programs like the Lead and Healthy Homes program</p> <p>This program will work directly with the Code office, Rental Registration Program and neighborhood partners to identify landlords and properties in need of assistance and ones which will have the most impact to the neighborhood.</p> <p>Split occupancy offerings will be promoted to allow for first time homebuyers an opportunity to purchase property for their own homes while providing for improved rental units. This mixed-occupancy model will help improve homeownership rates and well as improve the rental housing market in the City.</p>

Program 4: Homeowner Rehabilitation Loan Program
Outcome: Rehabilitate 102 owner occupied homes over 3 years primarily located within QCTs
Cost: \$3,025,000
<p>Multiple programs within the city of Erie provide funding for housing rehabilitation. These programs require that the occupant's income is below 80% AMI. Leaving many homeowners stuck in a gray area between federal programs and enough income to afford costly home repairs.</p> <p>A study from Philadelphia utilizing data from 2015-2017 indicated that 20 percent of applicants for home repair loans are denied. This inability to get approved for funding leads to many homeowners forgoing needed repairs on their homes. This deferral of repairs will lead to the homes falling into a state of disrepair that is hard to come back from.</p> <p>Access to capital for needed home repairs with amniable terms will improve the housing stock for low-moderate income families. The proposal would provide low interest loan to qualifying owners to make repairs such as roof, HVAC, electrical, and plumbing system replacements. These types of repairs are costly and if left unattended increase the overall cost of housing which puts more pressure on limited household budgets.</p> <p>Priority will be given to properties located within QCTs. Individuals and families with income between 80% to 120% AMI will be qualified for the program. Housing Counseling/Finanical Literacy will be required. Other guidance will be established with ENGP coordination to determine forgivable loan oportunties for high priority households such as seniors or veterans.</p>

Program 5: Erie Small and Minority Qualified Contractor Incubator

Outcome: Support at least 18 additional minority and small business contractors who are located within the City of Erie

Cost: \$500,000

Currently the RACE utilizes six contractors for our housing rehabilitation programs. This number has dropped over the past several years from its peak back in 2015. These contractors are generally smaller two to three man operations who are trying to build their businesses. The RDA has provided assistance to these contractors over the years to help support and build their companies. We also work with many suppliers to provide these companies lines of credit which allow them to finance materials to complete our rehabilitation projects. The ability to get these contractors extended LOC allows them to perform more projects without having to wait for reimbursement which at times can take 20-30 days.

These financing issues also prevent them from bidding on other publicly funded projects. The aim of this program is to provide loans on publicly funded projects to allow the contractors the ability to purchase materials and/or hire the staff they need to successfully perform the projects.

Business development assistance will be provided through a partnership with Paramount Pursuits. The partnership will provide education, training, and assistance for individuals to start a construction business. The resources that these partners and others will provide will be invaluable to these minority owned businesses

Through this program we will develop contractors who can be utilized by multiple grant programs to better improve Erie's neighborhoods while creating sustainable jobs. The training that will be provided will include EPA Renovate, Repair, and Paint (RRP) and PA lead abatement certifications along with other training to help them better understand the federal paperwork and guidelines.

We will also work with material suppliers to help these new companies have better access to the right materials. They will receive training on products and installation methods to help them succeed. The program will work to have a long term relationship with all individuals to ensure that they have every opportunity to succeed.

Program 6: Lead Hazard Control and Healthy Homes

Outcome: : 180 homes made lead safe and healthy

Cost: \$3,180,000

The objective of the Authorities Lead Hazard Control and Healthy Homes program is to promote healthy and safe housing in order to ultimately reduce lead poisoning, hospitalizations, injuries, illnesses, or deaths caused by preventable home health or safety risks. At a time where families are spending more time in their homes this objective couldn't be more important. An environmental hazard such as lead based paint can have severe irreversible health effect on children and adults when exposure time is increased. This continued fight against COVID-19 has left many families no choice but to remain in their homes and be exposed to these health hazards.

The program will coordinate with the health department, health care providers, and neighborhood groups to increase testing availability for elevated blood lead levels (EBLL). This collaborative effort will work to lessen the burden on the healthcare system while providing effective and sustainable mitigation of these home health hazards.

This mission will be accomplished by:

- Conducting comprehensive Environmental Home Assessments (EHA) of residences to identify potential health/safety risks, including biological agents, chemical agents, and structural deficiencies;
- Providing education and intervention strategies which can be implemented to prevent or reduce identified risks before negative outcomes occur or worsen;
- Providing referrals to appropriate medical care providers for clinical follow-up to those program participants with identified health issues such as asthma and childhood lead exposure;
- Collaborating with health care providers and neighborhood groups throughout the city to increase awareness of healthy homes principles and services available to mitigate hazards, particularly for households within QCT's; and
- Promoting a healthy homes philosophy to the general public and local government entities, including code enforcement offices, to increase awareness and understanding of potential hazards.

Principally, the program will assist the target population with acquiring the knowledge and services (and in some cases, the supplies) necessary to reduce or eliminate many home-based risks. A key objective of the program is to reduce the instances of blood lead poisoning in young children while creating a healthy home environment. Ultimately, the combination of services and assistance provided hereunder will decrease the instances of disease and/or injuries caused as a result of housing-related hazards.

Program 7: City of Erie Homeownership Incentive Program

Outcome: 84 new homes in the City are purchased for owner occupancy over 3 years

Cost: \$990,000

Low interest loans to homebuyers within the City of Erie. Funding can be used for down payment assistance and to pay PMI. Priority for property that was vacant or rental converting to owner occupied and located within QCTs

Program 8: Housing and Preservation Grant Program

Outcome: : 60 homes or small business are assisted over 3 years

Cost: \$990,000

Grants for homeowners who do not qualify for traditional financing or HUD funding to assist with bringing properties up to code. Preference will be given to homeowners located within QCTs and those within the historic preservation areas. Incomes between 80% and 120% AMI