



Fifth Program Year CAPER 2014

GENERAL

Executive Summary

Middletown Township is an Entitlement Community which receives funds directly from the Federal Government to administer the Community Development Block Grant (CDBG) program. The purpose of this Consolidated Annual Performance and Evaluation Report (CAPER) is to report on progress made in implementing the Township's 2010-2014 Consolidated Plan through the proposed actions identified in the 2014 Action Plan.

In 2014, the Township received a total of \$221,086 in federal assistance to help achieve goals and objectives set forth in its Consolidated Plan and activities identified in the Action Plan of which \$208,259 was FY2013 entitlement funds and \$12,827 was FY2011 reallocated funds. This level of entitlement assistance marks a **5% decrease** in federal resources from 2013. A total \$44,873 in program income was received by the Community Development Program in 2014 of which is made up of lien repayments, administrative fees, and interest. Financial Summary Report (PR26) is in the Appendix.

The Township's 2010-2014 Consolidated Plan was adopted in May 2010 and was made a component of the Monmouth County HOME Consortium Consolidated Plan submission. The principal goal of Middletown's Consolidated Plan is to foster the maintenance and development of housing affordable to target income households. Middletown's 2014 Action Plan included one (1) specific activity.

1. **Housing Rehabilitation Program** - Funds are set aside for housing rehabilitation at sites throughout the Township including emergency repairs, to correct building code violations, and for barrier-free improvements for single-family dwellings. The Community Development Program planned to rehabilitate up to 10-12 households in 2014 with this resource. Grants of up to \$25,000 would be made available to eligible households. Activity Summary Report (PR03) is in the Appendix.

General Questions

ASSESSMENT OF ONE-YEAR GOALS AND OBJECTIVES

Activity #1: Housing Rehabilitation

Fifteen (15) applications for the Township's home rehabilitation program were received in 2014, two (2) less than in 2013. The reason for the decrease may be due to either continual low level of federal funding over the past couple years, or the effects of Superstorm Sandy on the bayshore community where there is a concentration of low and moderate income households. Superstorm Sandy left

nearly 300 homes in the Middletown bayshore substantially damaged, and if not for Sandy, may have been eligible for home repairs under the home rehabilitation program.

In 2014, 11 rehabilitations were funded and completed. A total \$200,136 was expended on housing rehabilitation activities, and \$45,800 was expended on planning and administration for a total 2014 CDBG expenditure of \$245,936. Table 1 on the following page provides specific information regarding housing rehabilitation applications received and funded and/or active rehabs in 2014.

Based on Table 1, the Community Development Program noted the following household characteristics for 2014:

TOTAL ELDERLY (E)	4
TOTAL FEMALE HEAD OF HOUSEHOLD (FHH)	6
TOTAL SPECIAL NEEDS (HDCP)	0
TOTAL LARGE FAMILY (LF)	0
TOTAL VERY LOW INCOME (50%) OR LESS (VLI)	10
TOTAL LOW INCOME (51% +) (LI)	1

TABLE 1: RECEIVED, FUNDED AND ACTIVE HOME REHAB PROJECTS IN 2014

CASE #	HHI	PERCENT MEDIAN FAMILY INCOME*	HOUSEHOLD CHARACTER	LOW/MOD AREA	FUNDED?
40-11	n/a	n/a	n/a	n/a	No
40-5	n/a	n/a	n/a	n/a	No
40-13	n/a	n/a	n/a	n/a	No
40-6	n/a	n/a	n/a	n/a	No
39-11	n/a	n/a	n/a	n/a	No
40-3	n/a	n/a	n/a	n/a	No
40-8	n/a	n/a	n/a	n/a	No
40-14	n/a	n/a	n/a	n/a	No
40-15	n/a	n/a	n/a	n/a	No, ineligible
40-7	n/a	n/a	n/a	n/a	No, ineligible
40-1	n/a	n/a	n/a	n/a	No, ineligible
40-12	n/a	n/a	n/a	n/a	No, ineligible
40-10	n/a	n/a	n/a	n/a	No, ineligible
40-4	n/a	n/a	n/a	n/a	No, ineligible
39-7	\$ 16,404	16%	FHH, VLI	No	Yes
40-9	\$ 20,102	20%	E, VLI	No	Yes
40-2	\$ 45,000	44%	FHH, VLI	No	Yes
39-8	\$ 13,386	13%	E, FHH, VLI	No	Yes
39-10	\$ 11,782	12%	E, FHH, VLI	No	Yes
39-9	\$ 24,727	24%	E, FHH, VLI	No	Yes
n/a	\$ 28,000	27%	FHH, VLI	No	Yes
39-6	\$ 33,615	33%	VLI	No	Yes
38-22	\$ 65,857	65%	LI	No	Yes
38-21	\$ 48,425	47%	VLI	No	Yes
38-7	\$ 17,319	17%	VLI	Yes	Yes

*Middletown Township median household income \$102,088 (Source: 2009-2013 US Census American Community Survey 5 year estimate)

Managing the Process

Middletown's CDBG Program is overseen by the Township's Department of Planning and Community Development. The Township's Community Development Office is the primary public agency responsible for administering programs specified in the 2010-2014 Consolidated Plan. Jason Greenspan, PP/AICP, Director of Planning and Community Development, and Amy Sarrinikolaou, PP/AICP, Assistant Community Development Director oversees the CDBG program by ensuring that applicants meet HUD income criteria, conducting home inspections with the Rehab Specialist, communicating with homeowners, facilitating the citizen participation plan and submitting required reports to HUD. Jill Hollon is the Administrative Assistant who runs the day-to-day operations of the Program, communications with the homeowners and contractors, processing payments, and maintenance of the Program's files.

Citizen Participation

The Township's Citizen Participation Plan (CPP) is an essential component of the 2010-2014 Consolidated Plan. The CPP is the process by which Middletown identifies the policies and procedures to be used to encourage citizen participation and involvement in the development of the Five-Year Consolidated Plan, programs/activities undertaken pursuant to the Plan, substantial Plan amendments, and the preparation of the Annual Performance Report.

The Township of Middletown believes that citizen participation and planning are central to the success of community development efforts. The Township is committed to successfully engaging and involving its residents in making decisions about how to invest in the future of its neighborhoods. Participation by residents of predominantly low- and moderate-income neighborhoods is strongly encouraged. The following efforts were made during 2014 to advertise the home rehabilitation program to Township residents. These efforts included:

- Public meeting notices advertised in local newspaper;
- Program information and income ranges posted on Township website;
- Program summary published in bi-annual, direct mail "Middletown Matters" publication; and
- Banner advertisement on Township local cable access television station.

The Township has continued to make particular and creative efforts to reach low- and moderate-income and special-needs populations. In 2014, our office conducted two public meetings, both at accessible locations, with the main purpose to engage public participation and involvement in the development of the annual action plan, and the Township's CDBG funded programs and activities. In conformance with our Citizen Participation Plan, we wanted to enhance public participation in 2014 as we did in 2013. The meetings were held at the Main Library during the afternoon, allowing people who don't drive at night and/or the unemployed population an opportunity to attend. We experienced a positive turnout at both meetings. Both events were well attended and advertised using multiple media types (local newspapers, Township website and newsletter, flyers, and local cable station).

At these meetings, the public was engaged and it was clear that the primary housing and community development need in Middletown remains to sustain and improve the quality of neighborhoods, and allow people to live in their homes comfortably and safely through the assistance of the Home Rehabilitation Program.

Copies of meeting advertisements published throughout the year are in the Appendix.

Institutional Structure

Two agencies comprise the institutional structure through which Middletown carries out its Consolidated Plan: (1) the Department of Planning and Community Development, and (2) the Middletown Housing Authority. Through the County HOME Consortium, the Township's homeless needs are addressed by Monmouth County Community Development and by the Township Department of Welfare. Housing Opportunities for People with AIDS (HOPWA) resources are provided by Woodbridge Township to the metropolitan area.

Monitoring

The CDBG Program effectively monitors all activities to ensure that they are carried out in furtherance of the 2010-2014 Consolidated Plan, and are done so in a timely manner in accordance with the federal monitoring requirements of 24 CFR 570.501(V) and 24 CFR 85.40 and all other applicable laws, regulations, policies, and sound management and accounting practices.

In 2014, the CDBG Program primarily facilitated housing rehabilitation activities. At the time of application to Middletown's rehab program, staff ensured that total household income was within the current HUD income limits. Comprehensive inspections were completed by Township staff at each eligible property at the beginning, middle and end of each housing rehabilitation project to ensure that housing code violations were successfully remediated with available resources. During 2014, Middletown completed 11 housing rehabilitations of the 100 unit housing rehab goal articulated in the "Performance Measures" Table in the 2010-2014 Consolidated Plan. Housing rehabilitation has had an appreciable effect on the quality of life in neighborhoods, particularly in low/mod income target areas such as North Middletown. Households with limited incomes have been provided with the financial wherewithal to bring their homes up to code by upgrading electrical systems, replacing roofs, repairing outmoded plumbing, remediation of structural flaws and by improving accessibility. This has had a ripple effect on adjacent properties and within specified neighborhoods. Overall, this activity has met the goals and objectives of the Consolidated Plan.

Middletown continues to implement the outcome performance measurement system to collect information on the outcomes of funded activities. Program staff continues to research relevant indicator data to provide HUD with the information necessary to show the national results and benefits of the expenditure of federal funds. This indicator data will also help to ensure that there is alignment between program goals, targeted neighborhoods and low/mod income households.

Lead-based Paint

In 2014, there were no rehabilitation projects where the presence of lead was confirmed by our Rehab Specialist/Lead Inspector. Once the presence of lead-paint is confirmed, the Rehab Specialist modifies the work write-up to include the cost to conform with EPA's lead-safe work practices. Contractors are made aware that there is lead-paint present and may bid accordingly.

During the application process, the Department of Community Development educated applicants regarding lead-based paint by informing them that (1) if the structure was built prior to 1978 (2) if so, then the structure may contain lead-based paint (3) the hazards of lead-base paint (4) symptoms and treatment of lead-based paint poisoning (5) precautions to prevent lead poisoning.

All contractors and their firms participating in the Middletown Home Improvement Program are certified through the EPA Renovation, Repair, and Painting Rule, (effective April 22, 2010). Additionally, in conformance with the RRP ruling and HUD's Lead Safe Work Practices, the Program's Rehab Specialist became a NJ-licensed Risk Assessor/Lead Inspector so that he could perform lead-paint evaluations for homes in the program that were constructed prior to 1978. The Lead Inspector conducts lead-paint evaluations of the area of the home where rehabilitation work is proposed. If the presence of lead-based paint is confirmed, he will modify the work write-up to include the cost to the contractor to provide a lead-safe work area.

HOUSING

Housing Needs

The 2010-2014 Consolidated Plan discusses Middletown’s estimated housing needs projected for the next five year period for low-income renters and owners, and references specific housing problems, including cost-burden, severe cost- burden, substandard housing and overcrowding. Priority housing needs regarding income ranges, housing types and household types are specified. Priority housing needs were articulated in the Consolidated Plan based on special tabulations of U.S. Census data provided to HUD. Table 2 below was updated with 2005-2007 CHAS Data. Goals reflected anticipated households to be assisted by both the CDBG program and through the Amended Housing Element. The estimated status of satisfying priority housing needs is shown below:

TABLE 2: PRIORITY HOUSING NEEDS SUMMARY

Priority Housing Needs (households)*		Priority Need Level (High, Medium, Low)		Unmet Need	5 Yr Goal	2014 Actual	Cumulative from 2010
Renter	Small Related (4 or fewer)	0-80%	H	1,470	25	0	8
	Large related (5 or more)	0-80%	M	120	2	0	0
	Elderly	0-30%	H	150	50	0	16
		31-50%	H	0	45	0	16
		51-80%	H	0	90	0	15
	Extra-Elderly	0-30%	M	375	10	0	7
31-50%		M	80	10	0	0	
51-80%		L	0	0	0	0	
Owner	0-30%	H	960	150	7	30	
	31-50%	H	1,000	150	3	47	
	51-80%	H	1,390	150	1	14	
Special Needs		0-80%	M	840	10	0	8
Total Goals							

*Data Source: 2005-2007 CHAS Data

Specific Housing Objectives

In 2014, Middletown endeavored to provide decent affordable housing by fostering the maintenance and development of housing affordable to target income households. Priority housing objectives included the rehabilitation and preservation of the Township’s existing affordable housing stock, and new construction or substantial rehabilitation of additional affordable housing.

Federal resources provided directly through the CDBG program provided \$221,086 to facilitate housing rehabilitation in the Township in 2014. This represented a decrease from the prior year. A total \$44,873 in program income was received by the Community Development Program in 2014 of which is made up of lien repayments, administrative fees, and interest. The Township optimistically anticipated that 100 dwelling units could be rehabilitated between 2010-2014 resulting from the CDBG program, though this is entirely dependent on funding availability. The 11 housing rehabs that were completed in 2014 represent the fourth year of the five-year cycle. With 10 rehabs completed in 2010, and 20 in 2011, 21 in 2012, and 9 in 2013 Middletown has completed 71 or three-quarters of its 100 5-year rehab goal.

Tax incentive programs, e.g. Low Income Housing Tax Credits, have helped to leverage private capital for affordable housing construction. For example, Conifer Realty, LLC, a nonprofit housing developer, secured tax credits for 180 affordable senior rentals, with site development commencing in 2006 with full tenancy in 2009. The New Jersey Housing Mortgage and Finance Agency (NJHMFA) recently approved a financing package for a 30-unit rental site, i.e. the Village at Chapel Hill, which was completed in 2006, and was fully tenanted in 2008. NJHMFA has also funded 12 “residential over commercial” affordable rentals fully occupied in Leonardo.

Additionally, 18 affordable rental units were completed as part of the Harmony Glen inclusionary development in 2011. The Township took concrete steps in 2010 and 2011 to facilitate construction of these non-age restricted rental units, including flexibility in construction timing to allow the developer of market rate units to proceed with constructing non-subsidized, for sale units in order to generate additional capital. This flexibility was endorsed by the Council on Affordable Housing.

Local housing policies implemented through Middletown’s Master Plan and Zoning Ordinance have also helped to leverage private capital. These policies include inclusionary zoning, write-down/buy-down programs, and accessory apartments. Private capital is also leveraged from the development community via required contributions to the Township’s Affordable Housing Trust Account. In 2009, approximately 5 new affordable rental units were created as a result of inclusionary zoning policies. Inclusionary zoning can particularly benefit those with “worst-case” housing needs, since these households often only have the ability to sustain a rental unit and rarely benefit from housing rehabilitation of owner occupied units.

Public Housing Strategy

In 2014, the Middletown Housing Authority managed approximately 485 public housing units in the Township. Of this number, 252 of the units are owned by the Authority and are all designated as senior/disabled housing. Daniel Towers contains 100 units and Tomaso Plaza has a total of 152 units. The remaining 245 units are subsidized through the Section 8/Housing Choice Voucher Program.

The Middletown Housing Authority’s greatest need is the task of acquiring additional modernization dollars for capital improvements in an effort to preserve the existing public housing stock. In addition, the functionality and accessibility for the elderly and disabled must also remain a high priority. The Authority has identified several projects that will be undertaken to ensure the decent, safe and sanitary housing of their residents.

Improvements completed, planned or underway at Daniel Towers include:

- Replace existing chiller system on roof – Completed 2014
- Replace existing security system with digital video surveillance system – Planned 2015

Improvements completed, planned or underway at Tomaso Plaza include:

- Upgrade fire alarm system – completed 2014
- Redesign, re-grade and replace parking lots, curbing and patio area – Planned 2015
- Replace existing security system with digital surveillance system – Planned 2015

Middletown Housing Authority will continue to improve and upgrade their units through various federal grants. The Authority will take advantage of new programs and funding sources as they become available in an effort to bring each of its projects to applicable modernization and energy conservation standards. They will continue to work towards achieving the goal to create energy efficient housing. This in turn will help to create long term operating cost savings.

Middletown Housing Authority residents continue to be a vital part of the process in all decisions concerning improvements for the Authority. Their concerns are addressed through resident advisory groups, monthly tenant/management meetings and individual resident requests. The open door policy of the Executive Office has been key in creating an open line of communication through which all suggestions and concerns are carefully considered when deciding what needs to be improved upon within the Middletown Housing Authority.

Barriers to Affordable Housing

The cost of affordable rental and owner-occupied housing in Middletown grew more prohibitive in 2014, and the affordability gap continued to broaden for those in need of decent, safe housing. Moreover, the cost of maintaining and rehabilitating existing housing stock increased rapidly due to the limited supply of labor and materials. The CDBG housing rehabilitation program received 15 applications for assistance, funded and completed 11 rehabs to ensure continued affordability to homeowners in need of housing repairs. The number of home rehabs funded remained steady compared to the prior year. Fortunately, the Program was able to prioritize and address emergency repairs such as lack of heating in the colder months, and delayed the remaining work as funding came into place.

Middletown's strategy to address the negative effects of regulatory obstacles to providing affordable housing has occurred on both the State and local levels. The Township is committed to identifying and seizing all practical opportunities for removing barriers to affordable housing at the local level. Local land use policies reflect this commitment, and are articulated in the Township's Amended 2008 Housing Element and Fair Share Plan. Middletown's Zoning Ordinance includes numerous mechanisms that are geared towards making housing more affordable including Inclusionary Zoning, Accessory Apartments, and Developer Fees.

HOME/ American Dream Down Payment Initiative (ADDI)

The Township of Middletown did not utilize HOME or ADDI funds for strategies or activities during 2014.

HOMELESS

Homeless Needs & Prevention Elements

Through the HOME Consortium, the Township's homeless needs are addressed by Monmouth County Community Development and by the Middletown Township Department of Welfare.

Middletown's Department of Welfare provides social service (non-housing) programs to assist the homeless and prevent homelessness. The Welfare Department offers financial assistance through the General Assistance Program offered by the State of New Jersey. However, technical assistance is the Department's primary activity. Department Staff serves as the initial contact for assistance. Homeless individuals and families are counseled on services and programs available and referred to the appropriate County or local facility.

From January 1, 2014 through December 31, 2014, the Middletown Township Department of Welfare expended \$189,345.92, a 1.3% increase from 2013. General assistance was provided to 613 individuals representing a decrease of 112 individuals from 2013. The total number of homeless individuals served in 2014 was 153 compared to 132 individuals in 2013. Of the 153 homeless individuals assisted in 2014, 61 were males and 92 were females. The percentage of females assisted increased by 50% since 2013.

A complete record on the demographic composition, income and level of assistance is available at the Middletown Township Department of Welfare located at the Bayshore Annex, 180 Main Street, Port Monmouth, NJ 07758.S

Emergency Shelter Grants (ESG)

Not applicable to Middletown Township.

COMMUNITY DEVELOPMENT

Community Development

Housing Rehabilitation

As detailed in prior sections, CDBG resources utilized for housing rehabilitation at single-family residences provide an area benefit when spent in North Middletown, Leonardo and Port Monmouth, and provide assistance to low- and moderate income households throughout the Township. Eleven (11) rehabs were funded and

completed in 2014. Review of household income to determine grant eligibility and grant administration was completed in a consistent, fair and impartial manner.

Program Income

In 2014, \$44,873 in program income was received by the Community Development Program of which is made up of lien repayments, administrative fees, and interest.

Antipoverty Strategy

Middletown Township has worked with Federal, State, County and nonprofit agencies to provide information on the barriers preventing households from overcoming poverty, and has provided assistance to facilitate improved housing situations. Middletown's resources have been devoted to the problems which plague households at or below the poverty line. Township programs are housing rehabilitation, energy conservation, as well as improvements for disabled persons, and homelessness assistance. A summary of programs that help to address poverty is as follows:

1. The Middletown Department of Community Development continued to offer a highly successful housing rehabilitation program in 2014 by assisting 11 households in home renovations, and completing 11 rehabs.
2. The Middletown Housing Authority continued to manage two public housing developments (Tomaso Plaza and Daniel Towers). Together these two developments offered rental assistance to 252 income eligible senior citizens. Rental assistance is also provided to low income families through the Federal Section 8 Rental Certificate Program.
3. The Middletown Township Welfare Department's primary responsibility is providing general assistance and shelter placement to homeless individuals. In addition, the Welfare Department counsels and assists eligible households on how to access Monmouth County Social Service Programs.
4. Non-profit institutions responsible for the delivery of affordable housing consist of the Middletown Senior Citizen Corporation, the Lincroft Senior Corporation and the Affordable Housing Alliance of Monmouth County. The Middletown Senior Citizen Housing Corporation manages Bayshore Village which provides rental assistance to 96 households. After Superstorm Sandy made landfall on October 29, 2012, 40 age-restricted rental units were destroyed at Bayshore Village, leaving only 56 affordable rentals intact at this federally subsidized property. The Lincroft Senior Citizen Corporation manages Luftman Towers and provides rental assistance to 189 income eligible seniors. The Affordable Housing Alliance of Monmouth County manages 28 affordable rental units in the Beacon Place multifamily development, 6 affordable units on Park Avenue in Port Monmouth, and 12 affordable units (rental and for-sale) along Route 36.

NON-HOMELESS SPECIAL NEEDS

Non-homeless Special Needs

The Township's CDBG housing rehabilitation program provided assistance to three elderly households, and four households containing someone with a physical impairment.

Specific HOPWA Objectives

Not applicable to Middletown Township.

Appendix

Affidavit of Publication
Public Notices and meeting advertisements
CPMP Tables
PR 03, 08, 23 & 26