

THE NSP SUBSTANTIAL AMENDMENT CITY OF WARREN 2008-2009 HOUSING AND COMMUNITY DEVELOPMENT ACTION PLAN

Jurisdiction(s): <u>City of Warren, Michigan</u> Jurisdiction Web Address: <u>cityofwarren.org</u> <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Rosemarie Furlong Address: Planning Department One City Square, Ste. 315 Warren, MI 48089 Telephone: (586) 574-4687 Fax: (586) 574-4685 Email: rfurlong@cityofwarren.org
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EXECUTIVE SUMMARY:

The Neighborhood Stabilization Program (NSP) was established under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA). NSP funds are considered Community Development Block Grant (CDBG) funds and, unless specifically addressed by statute, all of the rules and regulations covering CDBG apply to NSP.

The purpose of NSP is to provide emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties.

A substantial amendment to the City of Warren 2008-2009 Housing and Community Development Action Plan was adopted by the Warren City Council on November 12, 2008 to provide for the receipt and expenditure of NFP funds. The Mayor made administrative changes for the purpose of clarification on December 26, 2008. Additional revisions are being proposed at this time to comply with NSP regulations. The City anticipates receiving \$5,829,447 in NSP entitlement funds and an additional \$2,525,000 in NSP program income. These funds must be spent on eligible NSP activities to benefit NSP eligible households. The activities must be located in NSP Target Areas (identified below). The income of NSP eligible households must be less than or equal to 120 percent of Area Median Income (AMI). In addition, 25 percent of all NSP funds (entitlement and program income) must be spent on housing for households whose income does not exceed 50 percent of AMI. Attachment A is a schedule showing NSP income data.

For the purpose of administering NSP funds eligible households are divided into three income groups as follows:

- Low Income (Low) \leq 50% AMI
- Moderate Income (Mod) $>$ 50% AMI and \leq 80% AMI
- Middle Income (Mid) $>$ 80% AMI and \leq 120% AMI

NSP funds must either directly benefit income eligible households or provide new or improved public facilities in NSP Target Areas where more than 51 percent of the residents have incomes that are less than or equal to 120 percent AMI, hereinafter called LMMI areas

In addition, NSP funds must be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. The City has identified three NSP Target Areas where the expenditure of funds will be targeted. These areas are described below, and are also displayed on Map 1 along with LMMI areas.

- Area F is bound by Nine Mile Road on the north, Mound Road on the east, Eight Mile Road on the south, and Dequindre Road on the west.
- Area VD is bound by Ten Mile Road on the north, Hoover on the east, Eight Mile Road on the south, and Mound Road on the west.
- Area G is bound by Groesbeck Highway to the northwest, the City limits to the east, and Eight Mile Road to the south.

Anticipated revenues and proposed activities are summarized in Table 1 below.

TABLE 1. NEIGHBORHOOD STABILIZATION PROGRAM BUDGET

<u>Anticipated NSP Revenues</u>	<u>Amount</u>
Entitlement	\$5,829,447.00
Estimated Program Income (from sale of 5 New Homes)	425,000.00
Estimated Program Income (from sale of 42 Rehab Resale Homes)	2,100,000.00
Total	\$8,354,447.00

Proposed NSP Activities				
Activity No.	Activity Title/ Description	Proposed Allocation	Accomplishments/ Beneficiaries/ Location	Anticipated Start/ Completion Date
NSP-01	Downpayment & Rehabilitation Direct Assistance – Provide financial assistance for NSP eligible households to purchase and rehabilitate abandoned or foreclosed properties that they will occupy as their primary residence. It is estimated 90% of these funds will be spent on projects and 10% on activity delivery.	\$300,000 entitlement	Estimate 20 households/ 0 Low, 10 Mod, 10 Mid income households. Assistance will only be provided for purchase of homes in Target Areas – anticipated distribution 7 area F, 6 area VD, 7 area G	04-01-2009/ 06-30-2010

Proposed NSP Activities (continued)				
NSP-02	New Construction (Entitlement) – Homes will be constructed by City or subrecipient such as Habitat for Humanity on vacant or demolished properties in NSP Target Areas and sold to NSP eligible households who will occupy the home as their primary residence. Downpayment and closing cost assistance will be paid with proceeds from sale. The balance of proceeds will be program income available for additional NSP activities or returned to the Federal Treasury as required by NSP rules and regulations. It is estimated 90% of these funds will be spent on projects and 10% on activity delivery.	\$725,000 entitlement	Estimate 5 homes/ 0 Low, 3 Mod, 2 Mid income households/ All will be built in NSP Target Areas, anticipate – 1 area F, 3 area VD, 1 area G	07-01-2009/ 09-30-2010
NSP-03	Rehabilitation Resale (Entitlement and 90% of Estimated Program Income) - City will acquire abandoned or foreclosed properties. All will be in NSP Target Areas. Homes will be rehabilitated and resold to NSP eligible households who will occupy them as their primary residence. Downpayment and closing cost assistance will be paid with proceeds from sale. The balance of proceeds will be program income available for additional NSP activities or returned to the Federal Treasury as required by NSP rules and regulations. It is estimated 90% of these funds will be spent on projects and 10% on activity delivery.	\$3,222,000 entitlement; \$2,272,500 estimated program income; (\$5,494,500 total)	72 homes/ anticipate 28 Low, 22 Mod, 22 Mid income households/ All homes will be in NSP Target Areas, anticipate – 24 area F, 24 area VD, 24 area G.	04-01-2009/ 09-30-2012
NSP-04	Demolition of Blighted Residential Structures – City will demolish blighted residential structures. All will be in NSP Target Areas. It is estimated 90% of these funds will be spent on projects and 10% on activity delivery.	\$1,000,000 entitlement	126 blighted residential structures/ All will be in NSP Target Areas, anticipate – 42 area F, 42 area VD, 42 area G	03-01-2009/ 09-30-2010
NSP-05	NSP Administration (Entitlement and 10% of Estimated Program Income)	\$582,447 entitlement; \$252,500 estimated program income; (\$835,000 total)	NA	NA
	Total Entitlement	\$5,829,447		
	Total Program Income (Estimated)	\$2,525,000		

DEFINITIONS FOR NSP:

Abandoned – A home is abandoned when mortgage or tax foreclosure proceedings have been initiated, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

Blighted Structure – A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. More specifically, a blighted structure must be a dangerous building as defined in Chapter 9, Article

VI, Section 9-165 of City of Warren Ordinance 80-625. In addition, the estimated cost to rehabilitate the structure in compliance with the City's Property Maintenance Code must be greater than 50 percent of the estimated cost to build a new 980 sq. ft. one story single family residence without a basement, where construction cost is estimated as \$96.83/sq. ft. \$96.83/sq. ft. is the average square foot construction cost for group VB single family residences provided by the International Code Council as published in the July-August 2008 issue of the Building Safety Journal. 980 sq. ft. is the minimum size single family dwelling allowed by the City of Warren Zoning Ordinance on lots less than 60 feet in width which were in existence on July 21, 1960.

Current Market Appraised Value – The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by City, subrecipient, developer, or individual homebuyer.

Foreclosed – A property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Note: *An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program.*

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data [LINK – to HUD USER data], in developing this section of the Substantial Amendment.

Response:

As stated above, the purpose of NSP is to provide emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties. To determine the areas of greatest need, the City mapped the location of homes foreclosed upon in 2008 where a second sheriff's deed transferring ownership from the former homeowner after the redemption period was on file with the City (Map 2). The location of vacant homes the City Building Department posted in 2008 were also mapped (Map 3).

The City is divided into 36 sections labeled 1 – 36 starting in the northeast corner of the City and continuing across and then down to the southeast corner of the City (see Map 1). Each section is approximately 1 square mile with the exceptions of sections 21, 22, 27 and 28 where the City of Center Line is carved out of the City of Warren.

The percentage of foreclosed homes in each section is shown on Map 2. The percentage of vacant posted homes in each section is shown on Map 3.

This information has been used to identify three NSP Target Areas. These are areas with greater than 2 percent foreclosed and vacant homes. They are identified on Map 1 and described below:

- Target Area F is bound by Nine Mile Road on the north, Mound Road on the east, Eight Mile Road on the south, and Dequindre Road on the west. It contains all of sections 31 and 32.
- Target Area VD is bound by Ten Mile Road on the north, Hoover Road on the east, Eight Mile Road on the south, and Mound Road on the west. It contains all of sections 27, 28, 33, and 34 excluding areas in the City of Center Line.
- Target Area G is bound by Groesbeck Highway to the northwest, the City limits to the east, and Eight Mile Road to the south. It contains all of section 36 and parts of sections 24, 25, 26, and 35.

HUD provided data by census tract block group called "HMDA hi cost loan rate" and "estimated foreclosure abandonment risk score" to be used to identify the areas with the highest percentage of homes financed by a subprime mortgage related loans, and to identify the areas likely to face the greatest percentage of future home foreclosures. All the census tract block groups with both an HMDA hi cost loan rate greater than 50% and an estimated foreclosure abandonment risk score of 10 (the highest score given to any area in the City of Warren) are found in one of the City's three NSP Target Areas.

For the purpose of preparing the 2005-2010 Consolidated Plan and 2008-2009 Action Plan, the City was divided into six (6) geographic regions plus the Mound Road Industrial Corridor. The name and location of each region is shown on Map 4. Demographic and housing market characteristics for each of the regions were described in the 2005-2010 Consolidated Plan. Based on that information, the South-East Region and South Van Dyke Corridor were identified as having the greatest housing and community development needs. The NSP Target Areas correspond to the Consolidated Plan regions as follows. Target Area F is the southern third of the South-West Region. Target Area VD is the southern two-thirds of the South Van Dyke Corridor and the adjacent portion of the Mound Road Industrial Corridor. Target Area G is the southeastern half of the South-East Region.

B. DISTRIBUTION AND USES OF FUNDS

*Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. **Note:** The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.*

Response:

Section A above describes how the City identified the areas of greatest need; NSP Target Areas F, VD, and G. The anticipated geographic distribution of NSP funds and of affordable housing units that will be demolished or produced is described in Tables 2A & 2B below. The activities referred to in the table are described in Section G.

Activity	Target Area F	Target Area VD	Target Area G	Total
Downpayment and Rehabilitation Direct Assistance	\$105,000	\$90,000	\$105,000	\$300,000
New Construction	\$145,000	\$435,000	\$145,000	\$725,000
Rehabilitation Resale	\$1,831,500	\$1,831,500	\$1,831,500	\$5,494,500
Demolition of blighted residential structures	\$333,333	\$333,334	\$333,333	\$1,000,000
Total	\$2,414,833	\$2,689,834	\$2,414,833	\$7,519,500
% of Total	32.1%	35.8%	32.1%	100%

Table 2B Anticipated Geographic Distribution of Affordable Housing Units Produced or Demolished with NSP Funds				
Activity	Target Area F	Target Area VD	Target Area G	Total
Downpayment and Rehabilitation Direct Assistance	7	6	7	20
New Construction	1	3	1	5
Rehabilitation Resale	24	24	24	72
Demolition of blighted residential structures	42	42	42	126
Total	74	75	74	223
% of Total	33.2%	33.6%	33.2%	100%

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

See Definition Section above

*(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.*

Response:

At the present time the City does not propose undertaking any activities that will produce units of rental housing. If the City did undertake such an activity, HOME Investment Partnership Program (HOME) monthly rent limits for affordable rents will be used. For households with an income greater than 50 percent of area median income (AMI) renting NSP assisted units, the maximum contract rent plus tenant paid utilities will be the High HOME rent. High HOME rent is the lesser of the HUD Fair Market Rent (FMR) or 30 percent of the adjusted income of a household whose annual income is 65 percent of AMI.

For households with an income at or below 50 percent of AMI renting NSP assisted units, the maximum contract rent plus tenant paid utilities will be the Low HOME rent. Low HOME rent is the lesser of the HUD Fair Market Rent (FMR) or 30 percent of the adjusted income of a household whose annual income is 50 of AMI.

FMR, High HOME rent and Low HOME rent are established by HUD for units of varying sizes (by number of bedrooms). The rent limits currently in effect are listed in the table below.

Monthly Rent Limits (Contract Rent plus Tenant Paid Utilities)*							
	0-BR	1-BR	2-BR	3-BR	4-BR	5-BR	6-BR
FMR	\$591	\$673	\$805	\$963	\$993	\$1142	\$1291
High HOME Rent	\$591	\$673	\$805	\$963	\$993	\$1142	\$1291
Low HOME Rent	\$591	\$655	\$786	\$908	\$993	\$1118	\$1223

*Effective April 2008

For the purpose of determine the maximum allowed rent, the value of tenant paid utilities will be calculated using the Michigan State Housing Development Authority (MSHDA) Region I Utility Schedule.

Affordable rent limits will be enforced through deed restrictions and a lien in the amount of the total NSP investment in the project during a period of affordability. The period of affordability will be based on the average per unit investment of NSP funds according to the schedule in Table 3.

Table 3 Affordability Period for Rental Units	
Affordability Period	Average Amount of NSP Funds Invested Per Rental Unit
5 years	Less than \$15,000
10 years	\$15,000 - \$40,000
15 years	Greater than \$40,000

During the period of affordability, the NSP assisted units must be rented to households at or below 120 percent AMI. During the period of affordability, the contract rent plus tenant paid utilities must not exceed the monthly limits defined above. Finally, during the affordability period, the NSP assisted units must be maintained in compliance with the City's Property Maintenance Ordinance. The owner must allow the City or its representative to make on site inspections to determine compliance with this requirement. These inspections shall be made not less frequently than once every five years during the affordability period.

During the affordability period, interest at a rate established by the Community Development Block Grant Committee will accrue. During the affordability period, no payments will be due. At the end of the affordability period, if there has been compliance with the above requirements, the deed restrictions will be removed and the lien discharged. Owner's failing to comply with the above requirements must repay the entire amount of the NSP assistance plus accrued interest.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

See Section C(2) above for description of affordability for rental units.

For NSP assisted homeownership units the City will ensure continued affordability as follows.

NSP-01 Downpayment and Rehabilitation Direct Assistance

Households participating in this NSP activity will receive a total of \$14,000, which will be distributed as follows: \$3,500 for assistance with the downpayment and closing cost to purchase an NSP eligible single family home they will occupy as their primary residence and \$10,500 to make repairs necessary to achieve compliance with the Property Maintenance Ordinance, address lead-based paint hazards, and make other limited general improvements.

The assistance the homebuyer receives from the City will be a loan subject to recapture during a five-year affordability period. This loan will be secured by a second lien on the property purchased and payments on the loan will be deferred and the loan will be forgiven on the fifth anniversary at the end of the affordability period. If the homebuyer fails to make the repairs necessary to receive a certificate of occupancy, sells the home, or ceases to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured funds will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

If the sale of the home will not result in sufficient funds to repay both the NSP funds and the homebuyer's investment in the property, the CDBG Committee may, upon appeal from the homebuyer, reduce the amount of NSP funds to be repaid based upon the time the buyer owned and occupied the property. Decisions of the CDBG Committee to accept less than full repayment of the NSP funds will be made on a case by case basis. Upon recapture the affordability period ends, allowing the owner to sell the home without restriction.

NSP-02 Single Family New Construction

During construction, each home will be appraised to determine a fair market value and each home will be sold at market value to an NSP eligible homebuyer who will use the home as their primary residence. Each buyer will receive NSP funds for downpayment and closing cost assistance to close the gap between what they can afford and the sales price. The amount of assistance will be established by the City's Community Development Block Grant Technical (CDBG) Committee on a case by case basis. The minimum amount of downpayment and closing cost assistance provided to the homebuyers will be \$1,000 and the maximum amount will be \$14,000. Buyers must obtain mortgage financing to cover the balance of the purchase. The proceeds from the sale of the homes will be returned to the Federal Treasury if required by NSP rules and regulations. Otherwise, they will be returned to the City unless Warren City Council approves a contract allowing a subrecipient developing the homes to retain the proceeds. Proceeds returned to the City or retained by a subrecipient must be used for additional NSP eligible activities in the City of Warren.

The amount of the NSP funds provided for downpayment and closing cost assistance will be a loan subject to recapture during a five-year affordability period. The loan will be secured by a second lien on the property purchased and payments on the loan will be deferred and the loan will be forgiven on the fifth anniversary at the end of the affordability period. If the homebuyer sells the home or ceases to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured funds will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

NSP-03 Rehabilitation Resale

During rehabilitation, each home will be appraised to determine a fair market value and each home will be sold to an NSP eligible homebuyer at market value or an amount equal to the project costs, whichever is less. The NSP homebuyer must use the home as their primary residence. Each buyer will receive NSP funds for downpayment and closing cost assistance to close the gap between what they can afford and the sales price of the home. The amount of assistance for low income households (at or below 50% AMI), will be established by the City's Community Development Block Grant Technical (CDBG) Committee on a case by case basis. A schedule of NSP income limits can be found in Appendix A. The minimum amount of assistance provided to low income households will be \$3,500 and the maximum will be \$10,000. The amount of assistance for moderate and middle income households (greater than 50% and less than or equal to 120% AMI) will be \$3,500. All buyers must obtain mortgage financing to cover the balance of the purchase. The proceeds from the sale will be returned to the City and will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

The amount of the NSP funds provided for downpayment and closing cost assistance will be a loan subject to recapture during a five-year affordability period. The loan will be secured by a second lien on the property purchased and payments on the loan will be deferred and the loan will be forgiven on the fifth anniversary at the end of the affordability period. If the homebuyer sells the home or ceases to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured funds will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

General – The amount of direct assistance that will be provided to the homebuyer is also subject to restrictions that may be imposed by the homebuyer's lender. Some buyers may also receive HOME funded downpayment assistance. The affordability period for buyers receiving both NSP and HOME funded assistance will be based on the total amount of assistance received and determined according to the schedule in Table 4.

Table 4 Affordability Period for Homeownership Units	
Affordability Period	Amount of Combined NSP and HOME Funded Assistance
5 years	Less than \$15,000
10 years	\$15,000 - \$40,000
15 years	Greater than \$40,000

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

At a minimum, all homes assisted under the Downpayment and Rehabilitation Direct Assistance and the Rehabilitation Resale activities will be brought into compliance with the City's Property Maintenance Code. In addition, all work completed will comply with the City's Building Code. Lead Based Paint hazards will also be addressed as required by HUD regulations.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income (AMI): see response below.

Note: *At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.*

Response:

The City will reserve \$1,487,362 of the total NSP entitlement funds allocated for Rehabilitation Resale to produce units that will be sold to households at or below 50% AMI. It is estimated that this will fund 20 rehabilitation resale units. In addition, the City will reserve \$631,250 of the anticipated NSP program income funds allocated for completion of an additional 8 Rehabilitation Resale to units that will be sold to households at or below 50% AMI. The amounts reserved may be adjusted if Macomb Habitat for Humanity is selected to develop the new construction units for households at or below 50% AMI. The City's ability to use Habitat as a subrecipient will depend on how NSP rules and regulations regarding program income or revenue apply to house/mortgage payments made directly to Habitat.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- *The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.*
- *The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).*
- *The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.*

Response:

The City anticipates using NSP funds to demolish 126 blighted low and moderate income single family dwelling units. The City anticipates producing 97 units of affordable housing. The anticipated distribution among low, moderate, and middle income households, along with the anticipated commencement and completion date, is presented in Table 5 below.

Table 5 Estimated Distribution of Housing Units Produced with NSP Funds By Income Category					
Activity	Low Income	Moderate Income	Middle Income	Anticipated Start Date Obligation of Funds	Anticipated Construction Completion Date
Downpayment and Rehabilitation Direct Assistance	0	10	10	April 1, 2009	June 30, 2010
New Construction entitlement	0	3	2	July 1, 2009	September 30, 2010
Rehabilitation Resale entitlement	28	22	22	April 1, 2009	September 30, 2012
Total	28	35	34		

F. PUBLIC COMMENT

Response:

Notice was published on October 21, 2008 in the Macomb Daily and on October 22, 2008 in the Warren Weekly that the Proposed NSP Plan would be available for public review during a 15 public comment period extending from October 22, 2008 through November 5, 2008. In addition direct notice was mailed to over 140 interested parties. All were informed that they could review the Proposed NSP Plan by visiting the City's website (www.cityofwarren.org), the Civic Center Library or Planning Department Office. They were informed that they could submit comments directly to the Planning Department until 5:00 p.m. on November 5, 2008 or speak at a public hearing in front of the Warren City Council held on October 28, 2008.

At the October 28th public hearing, no one from the public came forward to offer comments. Members of Council asked staff questions regarding NSP in general and the Proposed Plan in particular.

One letter with written comments was received. It was written by a Warren homeowner living in Section 15, Census Tract 2619, Block Group 3. The resident does not live in one of the NSP Target Areas. The resident wrote to object to the fact that the Proposed Plan did not contain an equitable distribution of NSP funds. By allocating the bulk of the funding to the three NSP Target Areas, the Plan ignores his neighborhood and approximately 75% of the City outside these areas. Correspondence has been sent informing this resident that the Housing and Economic Recovery Act (HERA) under which NSP is established requires the City to identify areas of greatest need and distribute the NSP funds to these areas. The correspondence also indicated that some NSP funds have been allocated for activities outside the target areas and under what circumstances they might be available to abandoned homes in the writer's neighborhood.

The City has subsequently been informed that all NSP funds must be allocated to Target Areas. This revision will bring the City's NSP Plan into compliance with that requirement.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **NSP-01 Downpayment & Rehabilitation Direct Assistance**

(2) Activity Type: *(include NSP eligible use & CDBG eligible activity)*

This is an NSP eligible activity type A – a financing mechanism for the purchase and redevelopment of foreclosed upon homes.

Downpayment Assistance is an eligible CDBG activity under 24 CFR 570.201(n) Direct Homeownership Assistance. Rehabilitation of single family homes is an eligible CDBG activity under 24 CFR 570.202(a)(1).

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).*

As participation will be limited to households at to below 120% of area median income this activity will meet the national objective.

(4) Projected Start Date: It is anticipated that funds will be obligated for assistance to the first household no later than April 1, 2009.

(5) Projected End Date: It is anticipated that funds will be expended for assistance to the last household no later than June 30, 2010.

(6) Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*

This activity will be implemented directly by the City of Warren – NSP operating out of the Planning Department, One City Square, Suite 315. Administrator Contact: Rosemarie Furlong – (586) 574-4687.

(7) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

Funds made available under this activity may only be used to purchase abandoned or foreclosed homes in NSP Target Areas (see Map 1).

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- *tenure of beneficiaries--rental or homeownership;*
- *duration or term of assistance;*
- *a description of how the design of the activity will ensure continued affordability.*

For acquisition activities, include:

- *discount rate*

For financing activities, include:

- *range of interest rates*

Funds allocated for this activity will be used to provide income eligible homebuyers who don't currently own a home with \$3,500 to be used for downpayment and closing cost assistance to purchase a foreclosed or abandoned home. The buyer must pay at least \$1,000 from their own funds for the downpayment and closing costs and the purchase price must be at least 5 percent below the current market appraised value as defined above. Prior to execution of a purchase agreement, the home must be inspected for compliance with the City's property maintenance code and an estimate of the cost to bring the home into compliance with the property maintenance code and address any existing or presumed lead-based paint hazards must be prepared.

The City will provide the homebuyer with a loan of \$10,500 to pay for the cost of work needed to obtain compliance with the property maintenance code (obtain a certificate of occupancy) and address existing or presumed lead-based paint hazards. Any excess funds may be used for general improvements. If the estimated cost of needed work is greater than \$10,500 the buyer must demonstrate that they have sufficient resources to pay for the balance of the work before NSP funds will be committed.

The assistance the homebuyer receives from the City will be a no interest loan subject to recapture during a five-year affordability period. The loan will be secured by a second lien on the property purchased and payments on the loan will be deferred and the loan will be forgiven on the fifth anniversary at the end of the affordability period. If the homebuyer fails to make the repairs necessary to receive a certificate of occupancy, sells the home, or ceases to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured funds will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

If the sale of the home will not result in sufficient funds to repay both the NSP funds and the homebuyer's investment in the property, the CDBG Committee may, upon appeal from the homebuyer, reduce the amount of NSP funds to be repaid based upon the time the buyer owned and occupied the property. Decisions of the CDBG Committee to accept less than full

repayment of the NSP funds will be made on a case by case basis. Upon recapture, the affordability period ends, allowing the owner to sell the home without restriction.

NSP income eligible buyers are often excluded from purchasing abandoned or foreclosed homes because they don't have access to the financial resources needed to make the homes safe for occupancy. This activity will address that need. It will also help stabilize neighborhoods by encouraging households that will be owner occupants to purchase abandoned and foreclosed homes. While households below 50% AMI are eligible to participate, this activity does not target those households.

I. Total Budget: *(Include public and private components)* - \$300,000 NSP entitlement.

J. Performance Measures *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):* Loan funds will be provided to 20 NSP eligible households to be used to acquire and rehabilitate single family homes they will own and occupy. Anticipated distribution of beneficiaries 0-low income, 10-mod income, 10-mid income.

(1) Activity Name: **NSP-02 New Construction**

(2) Activity Type: This is an NSP eligible activity type E. New construction is not specifically listed as a CDBG eligible activity.

(3) National Objective: As participation is limited to households at or below 120% of area median income this activity will meet the national objective.

(4) Projected Start Date: It is anticipated that funds will be obligated for construction of the first homes no later than July 1, 2009.

(5) Projected End Date: It is anticipated that construction will be completed by September 30, 2010. It is anticipated that these homes will be sold by June 30, 2011.

(6) Responsible Organization: This activity will be implemented directly by the City of Warren – NSP operating out of the Planning Department, One City Square, Suite 315. Administrator Contact: Rosemarie Furlong – (586) 574-4687.

A program amendment will be adopted if it is possible to have Macomb County Habitat for Humanity act as a subrecipient to implement this activity. Treating the monthly house payments made directly to Habitat as program income repayable to the Federal Treasury after July 30, 2013 may prevent Habitat's implementation of this activity.

(7) Location Description: Homes constructed under this activity will be located in the NSP Target Areas identified on Map 1.

(8) Activity Description:

This activity will consist of the acquisition of buildable residential property that is foreclosed or abandoned, construction of new single family residences on this property (alternatively the

homes may be constructed on vacant property already in the City's inventory), and sale of the newly constructed residences to NSP eligible homebuyers. All the homes will be built in NSP Target Areas.

If any property is acquired with NSP funds, the purchase price will be at least 15 percent below the current market appraised value. The properties acquired will either be vacant or occupied by blighted residential dwellings as defined above. All property will be acquired either by donation or purchase from willing sellers. In no case will the City use its power of condemnation to obtain building sites. If the dwellings are neither vacant nor owner occupied, the tenants will be provided with relocation assistance as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and Section 104(d) of the Housing and Community Development Act of 1974, as amended.

The residences constructed will all be built in compliance with the City's building code and zoning ordinance. The residences will be between 980 and 1,500 square feet and will have 3 bedrooms, 1 bathroom, and a basement, at a minimum. They will be frame construction with vinyl siding and aluminum trim.

These residences may be constructed with a CHDO (Community Housing Development Organization) or another non-profit subrecipient acting as the housing developer. Alternatively, the City may hire private contractors directly to construct the residences. Regardless of whom the developer is, labor may be provided by individuals enrolled in a building trades program or other volunteers. These residences may be constructed on property owned by the City or the developer. In all cases, the residences will be sold to NSP eligible buyers. Nonprofits acting as developers may further limit participation based on income.

During construction, each home will be appraised to determine a fair market value and each home will be sold to an NSP eligible homebuyer who will use the home as their primary residence at market value or an amount equal to the project costs, whichever is less. Each buyer will receive NSP funds for downpayment and closing cost assistance to close the gap between what they can afford and the sales price. The amount of assistance will be established by the City's Community Development Block Grant Technical (CDBG) Committee on a case by case basis. The minimum amount will be \$1,000 and the maximum amount will be \$14,000. Buyers must obtain mortgage financing to cover the balance of the purchase. The proceeds from the sale of the homes will be returned to the Federal Treasury if required by NSP rules and regulations. Otherwise, they will be returned to the City unless Warren City Council approves a contract allowing a subrecipient developing the homes to retain the proceeds. Proceeds returned to the City or retained by a subrecipient must be used for additional NSP eligible activities in the City of Warren.

The amount of the NSP funds provided for downpayment and closing cost assistance will be a no interest loan subject to recapture during a five-year affordability period. The loan will be secured by a second lien on the property purchased and payments on the loan will be deferred and the loan will be forgiven on the fifth anniversary at the end of the affordability period. If the homebuyer sells the home or ceases to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured funds will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

This activity will address the goal of stabilizing neighborhoods by redeveloping vacant residential property with new affordable homeownership units for NSP income eligible households.

I. Total Budget: \$725,000 entitlement.

J. Performance Measures: If the City implements the activity, 5 single family housing units will be produced. It is anticipated that 3 will be sold to moderate income households and 2 to middle income households.

If Macomb Habitat for Humanity implements the activity, production costs will be less because of the use of volunteer labor and 7 single family housing units will be produced with entitlement funds. It is anticipated that all will be sold to low income households. If Macomb Habitat for Humanity implements the activity, they will provide the mortgage financing and there will be no proceeds from the sale returned to the City for the production of additional housing units.

(1) Activity Name: **NSP-03 Rehabilitation Resale**

(2) Activity Type: This is an NSP eligible activity type B – Purchase and Rehabilitation of abandoned or foreclosed homes. Acquisition is an eligible CDBD activity under 24 CFR 570.201(a). Rehabilitation of single family homes is an eligible CDBG activity under 24 CFR 570.202(a)(1). Downpayment Assistance is an eligible CDBG activity under 24 CFR 570.201(n) Direct Homeownership Assistance.

(3) National Objective: As participation is limited to households at or below 120% of area median income this activity will meet the national objective.

(4) Projected Start Date: It is anticipated that funds will be obligated for acquisition of the first home no later than April 1, 2009.

(5) Projected End Date: It is anticipated that rehabilitation of the last home will be completed by September 30, 2011. It is anticipated that these homes will be sold by June 30, 2012.

(6) Responsible Organization: This activity will be implemented directly by the City of Warren – NSP operating out of the Planning Department, One City Square, Suite 315. Administrator Contact: Rosemarie Furlong – (586) 574-4687.

(7) Location Description: All of the homes acquired and rehabilitated under this activity will be located in the NSP Target Areas identified on Map 1.

(8) Activity Description:

Funds allocated for Rehabilitation Resale will be used to acquire abandoned or foreclosed homes located in NSP Target Areas. The purchase price will be at least 15 percent below the current market appraised value. Following acquisition, the City will perform substantial rehabilitation including but not limited to correction of all violations of the property maintenance code and abatement of lead-based paint and asbestos hazards. The rehabilitated homes will then be sold to NSP eligible families who don't currently own a home.

During rehabilitation, each home will be appraised to determine a fair market value and each home will be sold to an NSP eligible homebuyer who will use the home as their primary residence. The homes will be sold at market value or an amount equal to the project costs, whichever is less. Each buyer will receive NSP funds for downpayment and closing cost assistance to close the gap between what they can afford and the sales price. The amount of assistance for low income households (at or below 50% AMI), will be established by the City's Community Development Block Grant Technical (CDBG) Committee on a case by case basis. A schedule of NSP income limits can be found in Attachment A. The minimum amount of assistance provided to low income households will be \$3,500 and the maximum amount will be \$10,000. The amount of assistance for moderate and middle income households (greater than 50% and less than or equal to 120% AMI) will be \$3,500. All buyers must obtain mortgage financing to cover the balance of the purchase. The proceeds from the sale will be returned to the City and they will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

The amount of the NSP funds provided for downpayment and closing cost assistance will be a no interest loan subject to recapture during a five-year affordability period. The loan will be secured by a second lien on the property purchased and payments on the loan will be deferred and the loan will be forgiven on the fifth anniversary at the end of the affordability period. If the homebuyer sells the home or ceases to use it as a principal residence during the affordability period, the NSP funds will be recaptured. The recaptured funds will be used for additional NSP eligible activities or returned to the Federal Treasury as required by NSP rules and regulations.

NSP income eligible buyers are often excluded from purchasing abandoned or foreclosed homes because they don't have access to the financial resources needed to make the homes safe for occupancy. This activity will address that need. It will also help stabilize neighborhoods by encouraging households that will be owner occupants to purchase abandoned and foreclosed homes.

Approximately \$1,457,362 of the entitlement funds allocated for Rehabilitation Resale will be used to produce approximately 20 housing units that will be reserved for sale to eligible households whose income is below 50% AMI.

Approximately \$631,250 of the estimated program income allocated for Rehabilitation Resale will be used to produce approximately 8 housing units that will be reserved for sale to eligible households whose income is below 50% AMI.

I. Total Budget: \$3,222,000 entitlement and \$2,272,000 estimated program income.

J. Performance Measures: It is estimated that 72 single family housing units will be produced with entitlement funds and estimated program income. It is anticipated that 28 will be sold to low income, 22 to mod income and 22 to mid income households.

(1) Activity Name: **NSP-04 Demolition of Blighted Residential Structures**

(2) Activity Type: This is an NSP eligible activity type D – Demolition of blighted structures. Clearance of blighted structures is an eligible CDBD activity under 24 CFR 570.201(d).

(3) National Objective: As all structures demolished will be located in NSP Target Areas, which are all in LMMI areas, this activity will meet the national objective.

(4) Projected Start Date: It is anticipated that funds will be obligated for demolition of the first structure no later than March 1, 2009.

(5) Projected End Date: It is anticipated that all demolition activity will be completed by of by September 30, 2010.

(6) Responsible Organization: This activity will be implemented directly by the City of Warren – NSP operating out of the Planning Department, One City Square, Suite 315. Administrator Contact: Rosemarie Furlong – (586) 574-4687.

(7) Location Description: All the structures demolished will be located in NSP Target Areas.

(8) Activity Description:

Funding is allocated under this activity for the demolition of blighted vacant one to four unit residential dwellings and associated residential structures. A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. More specifically, a blighted structure must be a dangerous building as defined in Chapter 9, Article VI, Section 9-165 of City of Warren Ordinance 80-625. In addition, the estimated cost to rehabilitate the structure in compliance with the City's Property Maintenance Code must be greater than 50 percent of the estimated cost to build a new 980 sq. ft. one story single family residence without a basement, where construction cost is estimated as \$96.83/sq. ft. \$96.83/sq. ft. is the average square foot construction cost for group VB single family residences provided by the International Code Council as published in the July-August 2008 issue of the Building Safety Journal. 980 sq. ft. is the minimum size single family dwelling allowed by the City of Warren Zoning Ordinance on lots less than 60 feet in width which were in existence on July 21, 1960.

Owners will retain their interest in the property after the demolition.

Through this activity the City is working to stabilize neighborhoods by removing blighting influences. The City is benefiting NFP income eligible households by demolishing unsafe structures that might otherwise be rented or sold to households in need of affordable housing who don't have the knowledge to determine the home can not be economically repaired and/or the financial means to make the basic repairs that are needed to make the structure safe and sanitary.

I. Total Budget: \$1,000,000 entitlement

J. Performance Measures: It is anticipated the 126 blighted residential structures will be demolished.

(1) Activity Name: **NSP-05 Administration**

(2) Activity Type: NA

(3) National Objective: NA

(4) Projected Start Date:
Immediately

(5) Projected End Date:
NA

(6) Responsible Organization: NSP administration will be the responsibility of City of Warren – NSP operating out of the Planning Department, One City Square, Suite 315. Administrator Contact: Rosemarie Furlong – (586) 574-4687.

(7) Location Description: NA

(8) Activity Description:
General NSP administration

I. Total Budget: \$582,447 entitlement, \$252,500 estimated program income

J. Performance Measures: NA

Attachment A		
NSP Income Data: Percent Area Median Income (AMI) Adjusted for Household Size		
Household Size	50% AMI	120% AMI
1	\$24,450	\$58,700
2	27,950	67,100
3	31,450	75,500
4	34,950	83,900
5	37,750	90,600
6	40,550	97,300
7	43,350	104,000
8	46,150	110,700

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income,

including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

11/21/2008
Date

James R. Fouts, Mayor City of Warren
Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): City of Warren Lead Agency: Planning Department Jurisdiction Web Address: cityofwarren.org <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Rosemarie C. Furlong Address: Planning Department One City Square, Ste. 315 Warren, MI 48093 Telephone: (586) 574-4687 Fax: (586) 574-4685 Email: rfurlong@cityofwarren.org
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction?

Yes No . Verification found on page **Maps 2 & 3.**

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes No . Verification found on pages **6 & 7.**

Note: The grantee’s narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of “blighted structure” in the context of state or local law,
 Yes No . Verification found on page **4.**

- a definition of “affordable rents,”
 Yes No . Verification found on page **7 - 9.**

- a description of how the grantee will ensure continued affordability for NSP assisted housing,

Yes No . Verification found on page 9 - 11.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?

Yes No . Verification found on page 11.

D. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?

Yes No . Verification found on page 11 & 12.

- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?

Yes No . Verification found on page 12.

Amount budgeted = **\$1,687,000 entitlement & \$1,038,000 (estimated program income)**

E. ACQUISITIONS & RELOCATION

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes No . (If no, continue to next heading)

Verification found on page 12 & 13.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., \leq 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?

Yes No . Verification found on page 12.

- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., \leq 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?

Yes No . Verification found on page 12 & 13.

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?

Yes No . Verification found on page 13.

F. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes No Verification found on page **13 & 14**.

Is there a summary of citizen comments included in the final amendment?

Yes No Verification found on page **14**.

G. INFORMATION BY ACTIVITY NSP-01 DOWNPAYMENT & REHABILITATION DIRECT ASSISTANCE

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No Verification found on page **14**.
- correlated eligible activity under CDBG,
Yes No Verification found on page **14**.
- the areas of greatest need addressed by the activity or activities,
Yes No Verification found on page **14 & Table 1 page 2**.
- expected benefit to income-qualified persons or households or areas,
Yes No Verification found on page **14 & Table 1 page 2**.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No Verification found on page **12 and Table 1 page 2 & 3**.
- appropriate performance measures for the activity,
Yes No Verification found on page **16 & Table 1 page 2**.
- amount of funds budgeted for the activity,
Yes No Verification found on page **16 & Table 1 page 2**.
- the name, location and contact information for the entity that will carry out the activity,
Yes No Verification found on page **14 & Table 1 page 2**.
- expected start and end dates of the activity?
Yes No Verification found on page **14 & Table 1 page 2**.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No Verification found on page **15**.

- If the activity provides financing, the range of interest rates (if any),
Yes No . Verification found on page **15**.
- If the activity provides housing, duration or term of assistance,
Yes No . Verification found on page **15**.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page **15**.
- does it ensure continued affordability?
Yes No . Verification found on page **9 & 15**.

G. INFORMATION BY ACTIVITY NSP-02 & 03 NEW CONSTRUCTION

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No . Verification found on page **16**.
- correlated eligible activity under CDBG,
Yes No . Verification found on page **16**.
- the areas of greatest need addressed by the activity or activities,
Yes No . Verification found on page **16 & 17 and Table 1 pages 2 & 3**.
- expected benefit to income-qualified persons or households or areas,
Yes No . Verification found on page **16 and Table 1 pages 2 & 3**.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page **12 and Table 1 page 2 & 3**.
- appropriate performance measures for the activity,
Yes No . Verification found on page **18 and Table 1 pages 2 & 3**.
- amount of funds budgeted for the activity,
Yes No . Verification found on page **18 and Table 1 pages 2 & 3**.
- the name, location and contact information for the entity that will carry out the activity,
Yes No . Verification found on page **16**.
- expected start and end dates of the activity?
Yes No . Verification found on page **16**.

- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No . Verification found on page **17**.
- If the activity provides financing, the range of interest rates (if any),
Yes No . Verification found on page **18**.
- If the activity provides housing, duration or term of assistance,
Yes No . Verification found on page **17 & 18**.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page **17 & 18**.
- does it ensure continued affordability?
Yes No . Verification found on page **10, 17 & 18**.

G. INFORMATION BY ACTIVITY NSP-04 & 05 REHABILITATION RESALE

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No . Verification found on page **18**.
- correlated eligible activity under CDBG,
Yes No . Verification found on page **18**.
- the areas of greatest need addressed by the activity or activities,
Yes No . Verification found on page **19 and Table 1 page 3**.
- expected benefit to income-qualified persons or households or areas,
Yes No . Verification found on page **20 and Table 1 page 3**.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page **12, 20 and Table 1 page 2 & 3**.
- appropriate performance measures for the activity,
Yes No . Verification found on page **20 and Table 1 page 3**.
- amount of funds budgeted for the activity,
Yes No . Verification found on page **20 and Table 1 page 3**.

- the name, location and contact information for the entity that will carry out the activity,
Yes No . Verification found on page 19.
- expected start and end dates of the activity?
Yes No . Verification found on page 18.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No . Verification found on page 19.
- If the activity provides financing, the range of interest rates (if any),
Yes No . Verification found on page 19.
- If the activity provides housing, duration or term of assistance,
Yes No . Verification found on page 19 & 20.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page 19 & 20.
- does it ensure continued affordability?
Yes No . Verification found on page 10, 11, 19 & 20.

G. INFORMATION BY ACTIVITY NSP-06 DEMOLITION OF BLIGHTED RESIDENTIAL STRUCTURES

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No . Verification found on page 20.
- correlated eligible activity under CDBG,
Yes No . Verification found on page 20.
- the areas of greatest need addressed by the activity or activities,
Yes No . Verification found on page 20 and Table 1 page 3.
- expected benefit to income-qualified persons or households or areas,
Yes No . Verification found on page 20 and Table 1 page 3.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 12 and Table 1 pages 2 & 3.
- appropriate performance measures for the activity,
Yes No . Verification found on page 21 and Table 1 page 3.

- amount of funds budgeted for the activity,
Yes No . Verification found on page **21 and Table 1 page 3.**
- the name, location and contact information for the entity that will carry out the activity,
Yes No . Verification found on page **20.**
- expected start and end dates of the activity?
Yes No . Verification found on page **20.**
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No . Verification found on page **NA.**
- If the activity provides financing, the range of interest rates (if any),
Yes No . Verification found on page **NA.**
- If the activity provides housing, duration or term of assistance,
Yes No . Verification found on page **NA.**
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page **NA.**
- does it ensure continued affordability?
Yes No . Verification found on page **NA.**

G. INFORMATION BY ACTIVITY NSP-07 ADMINISTRATION

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No . Verification found on page **NA.**
- correlated eligible activity under CDBG,
Yes No . Verification found on page **NA.**
- the areas of greatest need addressed by the activity or activities,
Yes No . Verification found on page **NA.**
- expected benefit to income-qualified persons or households or areas,
Yes No . Verification found on page **NA.**
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?

Yes No Verification found on page **12 and Table 1 pages 2 & 3.**

- appropriate performance measures for the activity,
Yes No Verification found on page **NA.**
- amount of funds budgeted for the activity,
Yes No Verification found on page **21 and Table 1 page 3.**
- the name, location and contact information for the entity that will carry out the activity,
Yes No Verification found on page **21.**
- expected start and end dates of the activity?
Yes No Verification found on page **21.**
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No Verification found on page **NA.**
- If the activity provides financing, the range of interest rates (if any),
Yes No Verification found on page **NA.**
- If the activity provides housing, duration or term of assistance,
Yes No Verification found on page **NA.**
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No Verification found on page **NA.**
- does it ensure continued affordability?
Yes No Verification found on page **NA.**

H. CERTIFICATIONS

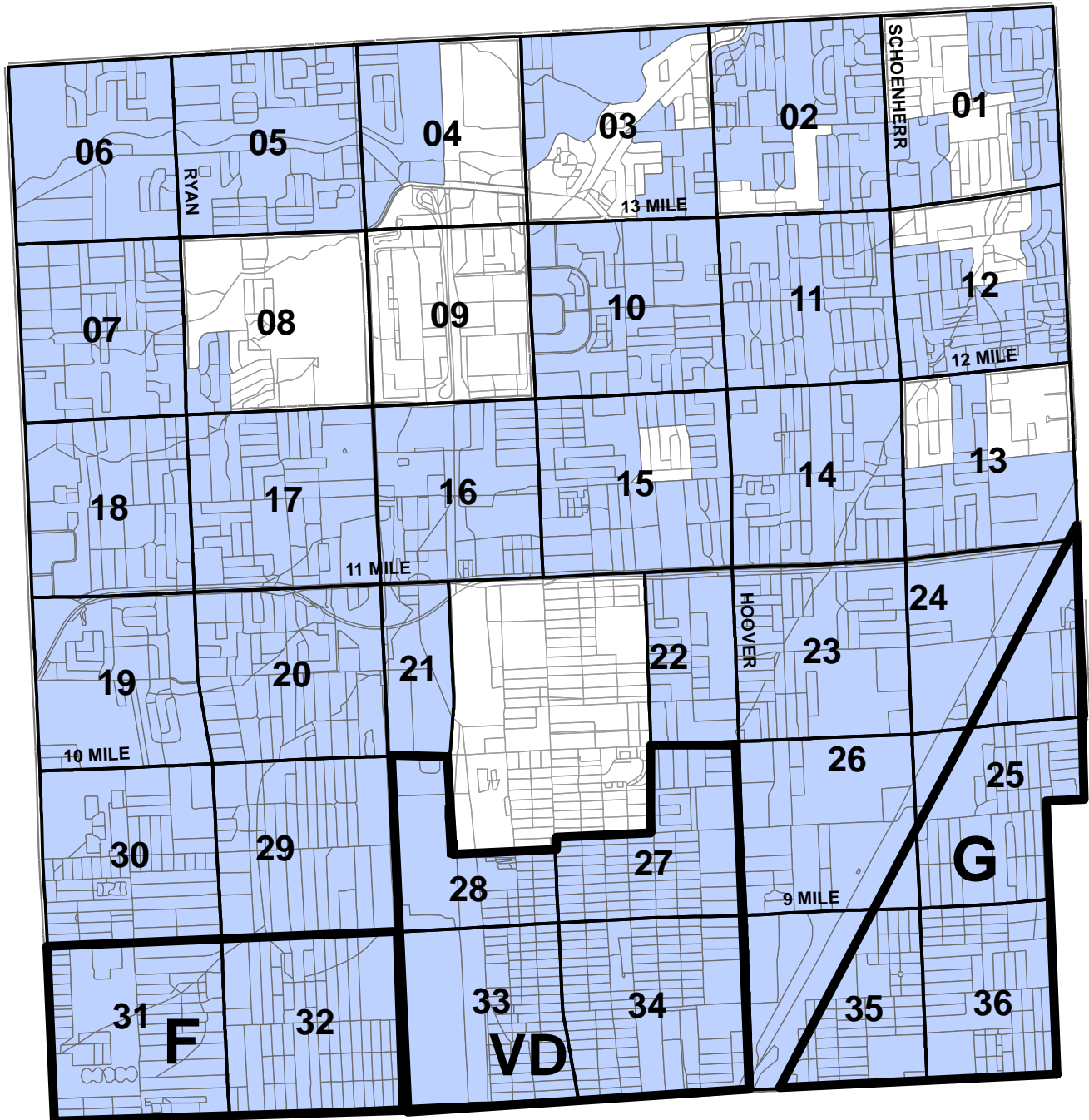
The following certifications are complete and accurate:

- | | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds \leq 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

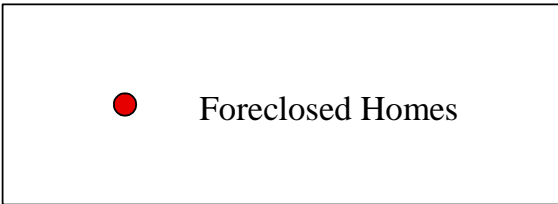
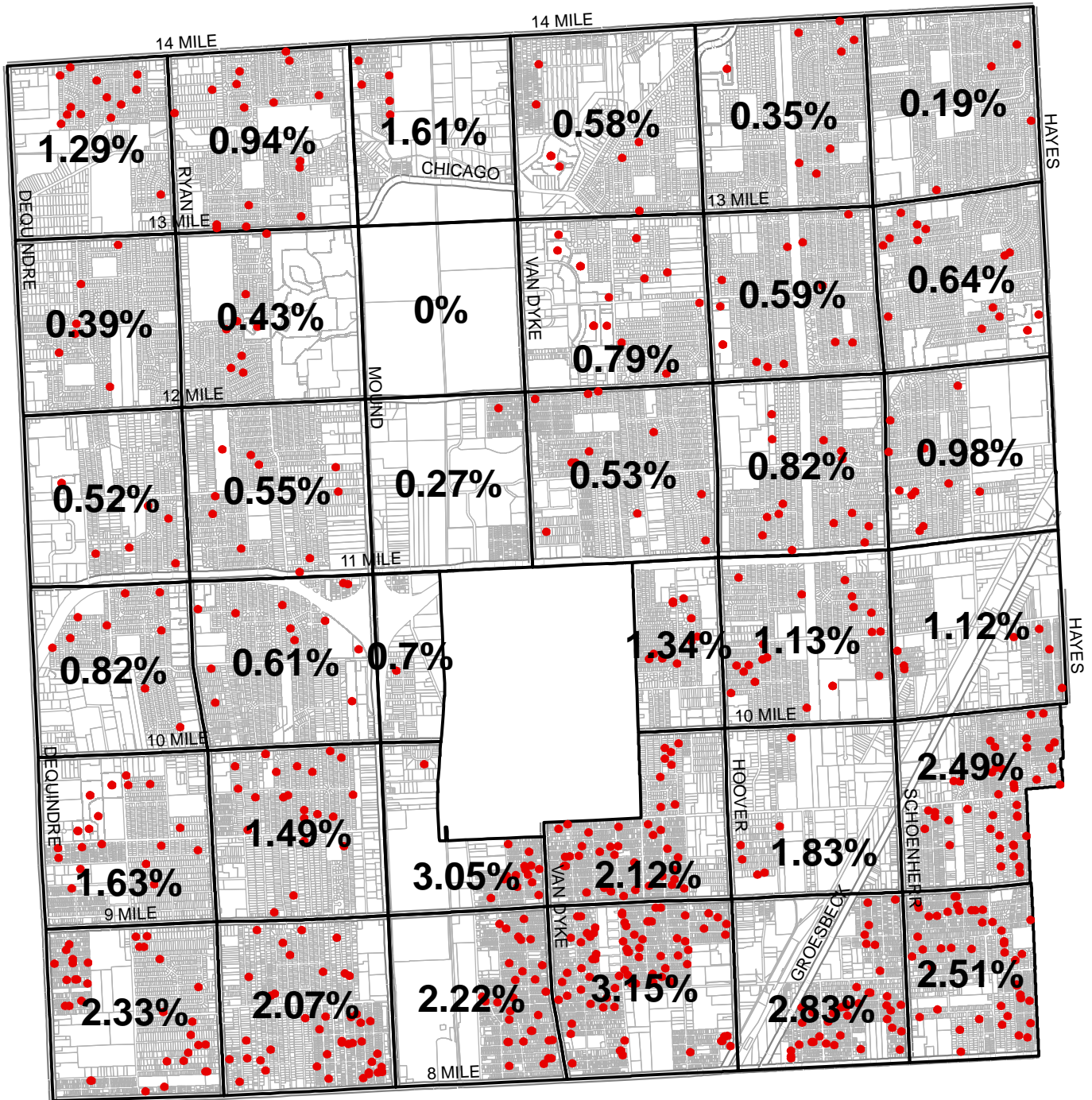
- (13) Compliance with anti-discrimination laws
- (14) Compliance with lead-based paint procedures
- (15) Compliance with laws

Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>

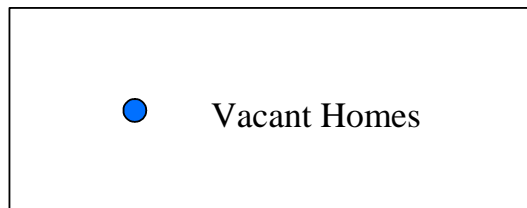
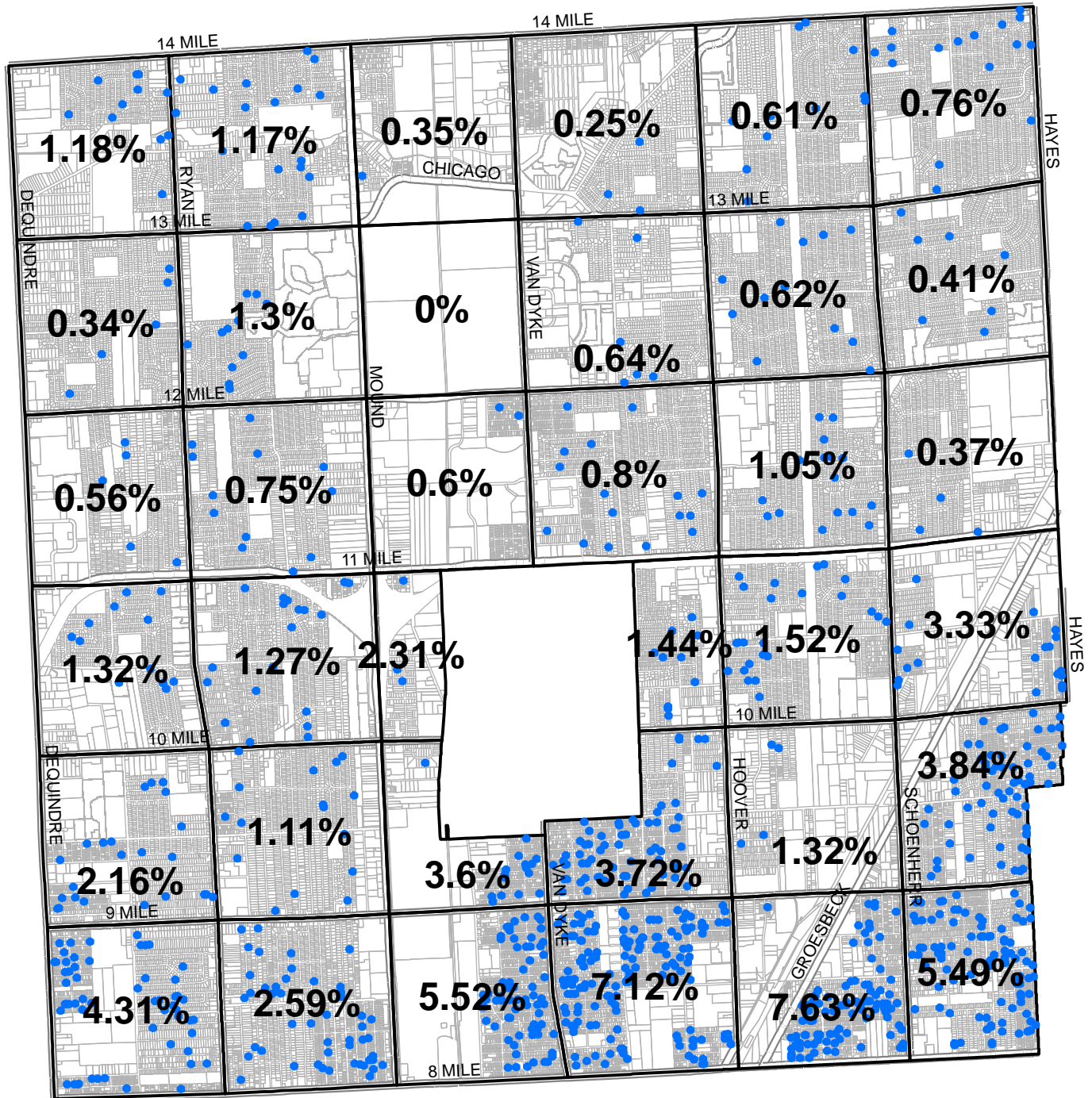
Map 1 NSP LMMI Areas



Map 2 2008 Percentage of Foreclosures



Map 3 2008 Percentage of Vacant Homes



Map 4 - Consolidated Plan Regions

