

NSP GRANT SUBMISSION TEMPLATE **& CHECKLIST**

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

- (1) The NSP Substantial Amendment (attached below)
- (2) Signed and Dated Certifications (attached below)
- (3) Signed and Dated [SF-424](#).

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>Hamilton County, IN</u> <i>(identify lead entity in case of joint agreements)</i> Jurisdiction Web Address: <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Mark McConaghy Address: 320 Kings Lane Noblesville, IN 46060 Telephone: (317) 773-5110, ext. 104 Fax: (317) 774-0079 Email: markmcconaghy@sbcglobal.net
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A. AREAS OF GREATEST NEED

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

Response:

Hamilton County, Indiana, has received \$2,343,868 in a special allocation of Community Development Block Grant (CDBG) funds as part of the Neighborhood Stabilization Program developed by U.S. Department of Housing and Urban Development (HUD) to provide targeted emergency assistance to help stabilize neighborhoods and stem the decline of house values of neighboring homes. Hamilton County has been particularly hard hit. According to data provided by the Hamilton County sheriff's office there were 975 foreclosures in 2007 and in the first nine months of 2008 there are 1,210 foreclosures. This represents a 57% increase in one year.

Table 1

Hamilton County, Indiana Foreclosures by Census Tract for 2007 and 2008*					
Block Group	Foreclosures	Foreclosures	Total	2007	2008**
Number	2007	2008	Hshlds	%	%
180571101001	3	3	887	0.34%	0.34%
180571101002	6	9	1,706	0.35%	0.53%
180571101003	47	53	1,314	3.58%	4.03%
180571101004	1	3	1,074	0.09%	0.28%
180571102011	10	6	879	1.14%	0.68%
180571102012	8	4	1,194	0.67%	0.34%
180571102013	4	15	1,245	0.32%	1.20%
180571102014	8	4	1,120	0.71%	0.36%
180571102021	13	21	3,486	0.37%	0.60%
180571102022	3	4	819	0.37%	0.49%
180571102023	6	7	955	0.63%	0.73%
180571103001	4	5	1,042	0.38%	0.48%
180571103002	8	11	1,507	0.53%	0.73%
180571103003	7	12	792	0.88%	1.52%

180571103004	13	9	1,276	1.02%	0.71%
180571103005	2	4	1,219	0.16%	0.33%
180571103006	8	24	1,306	0.61%	1.84%
180571104001	9	9	2,205	0.41%	0.41%
180571104002	4	6	785	0.51%	0.76%
180571104003	50	38	3,102	1.61%	1.23%
180571104004	14	28	2,954	0.47%	0.95%
180571105021	6	7	4,128	0.15%	0.17%
180571105022	15	32	2,778	0.54%	1.15%
180571105023	18	20	1,959	0.92%	1.02%
180571105024	29	32	2,705	1.07%	1.18%
180571105025	2	3	1,217	0.16%	0.25%
180571105031	61	108	5,229	1.17%	2.07%
180571105032	23	39	2,917	0.79%	1.34%
180571105041	28	45	4,709	0.59%	0.96%
180571105042	36	34	3,473	1.04%	0.98%
180571106001	17	14	2,931	0.58%	0.48%
180571106002	5	2	1,478	0.34%	0.14%
180571107001	10	14	1,546	0.65%	0.91%
180571107002	16	18	1,598	1.00%	1.13%
180571107003	6	8	682	0.88%	1.17%
180571108011	70	86	3,377	2.07%	2.55%
180571108012	131	172	13,702	0.96%	1.26%
180571108021	16	20	3,384	0.47%	0.59%
180571108022	3	9	2,045	0.15%	0.44%
180571108023	3	7	3,785	0.08%	0.18%
180571108024	18	13	4,259	0.42%	0.31%
180571108031	20	20	5,661	0.35%	0.35%
180571108032	9	8	2,288	0.39%	0.35%
180571108033	1	8	1,479	0.07%	0.54%
180571108034	14	14	3,431	0.41%	0.41%
180571108035	2	4	1,927	0.10%	0.21%
180571109011	24	17	8,902	0.27%	0.19%
180571109012	6	7	3,815	0.16%	0.18%
180571109013	4	5	2,575	0.16%	0.19%
180571109021	1	0	1,282	0.08%	0.00%
180571109022	5	5	1,732	0.29%	0.29%
180571109023	13	23	6,853	0.19%	0.34%
180571109024	3	6	2,519	0.12%	0.24%
180571110011	6	11	2,422	0.25%	0.45%
180571110012	2	0	1,595	0.13%	0.00%
180571110013	2	18	2,684	0.07%	0.67%
180571110031	6	5	1,512	0.40%	0.33%
180571110032	3	3	1,954	0.15%	0.15%
180571110033	1	2	1,284	0.08%	0.16%
180571110041	3	0	1,305	0.23%	0.00%
180571110042	1	5	1,773	0.06%	0.28%
180571110051	4	8	1,428	0.28%	0.56%

180571110052	0	0	2,678	0.00%	0.00%
180571110053	2	6	1,620	0.12%	0.37%
180571110054	1	5	1,190	0.08%	0.42%
180571110061	6	10	1,405	0.43%	0.71%
180571110062	12	21	2,726	0.44%	0.77%
180571111011	2	5	3,815	0.05%	0.13%
180571111021	3	4	1,538	0.20%	0.26%
180571111022	15	12	1,662	0.90%	0.72%
180571111023	3	3	883	0.34%	0.34%
180571111024	10	17	3,540	0.28%	0.48%
Total	925	1210	178,247		
*Data provide by the Hamilton County Sheriff's office					
** 2008 data through 9/30/08					

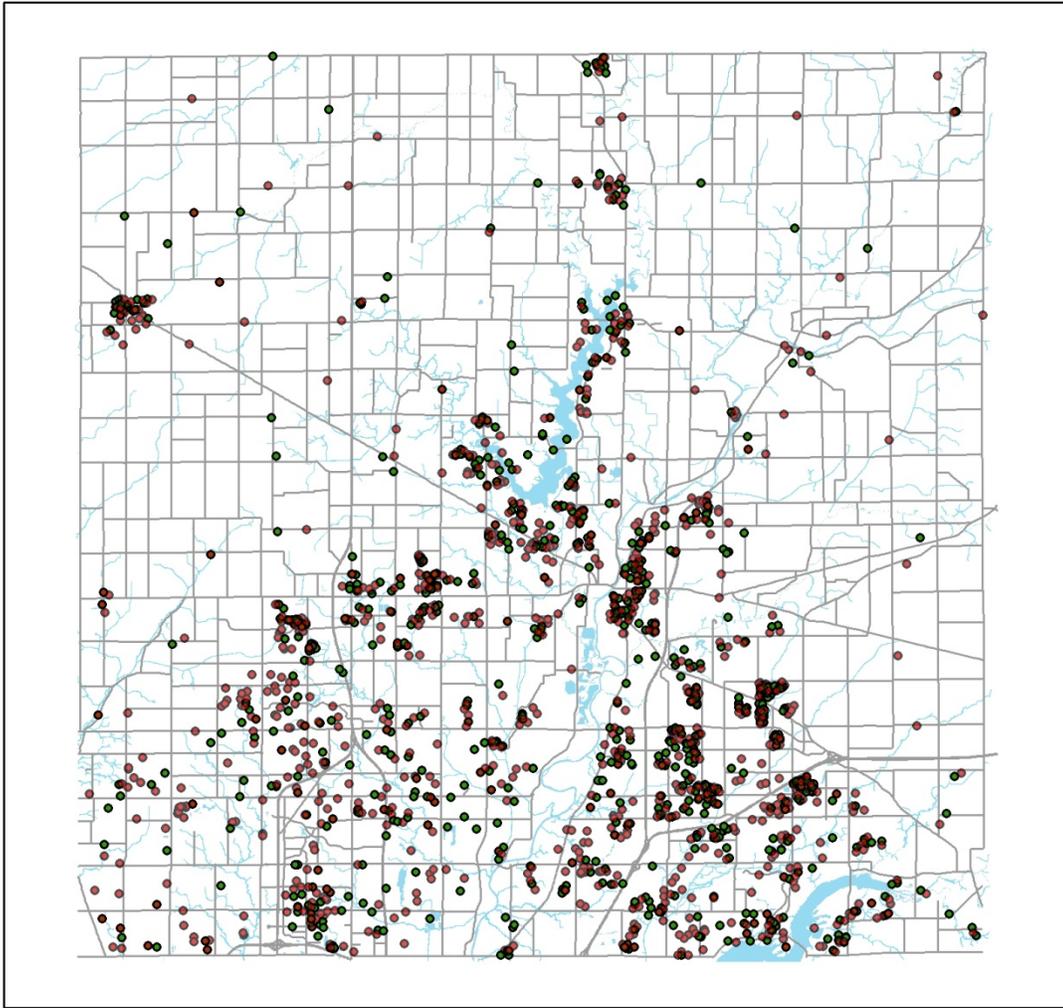
There are 72 block groups in Hamilton County. All but 14 have a foreclosure rate of less than 1%. Only one, block group 11010.03 has a foreclosure rate over 4% in 2008. Of the remaining 13, two had foreclosure rates between 2 and 3% and the remaining nine were less than 2%. The census tracts with the highest rates, as well as the highest numbers, were in Noblesville and Fishers, though Carmel had a significant number of foreclosures as well.

Community	2007	2008	Housing Units**	%
Arcadia	7	21	607	4.61%
Atlanta	14	8	283	7.77%
Carmel	120	174	14,107	2.08%
Cicero	28	32	1,811	3.31%
Fishers	188	267	15,241	2.99%
Fortville*	14	16	NA	NA
Indianapolis*	45	53	NA	NA
McCordsville*	10	8	NA	NA
Noblesville	378	443	11,294	7.27%
Sheridan	33	41	988	7.49%
Westfield	106	108	3,606	5.93%
Zionsville*	4	5	NA	NA
Total	947	1176		
*Hamilton County data not available, **2000 data				

Table 2 shows the 2007 and 2008 foreclosures by community address. Noblesville, Atlanta and Sheridan have the highest percentage of foreclosed properties in Hamilton County. While Hamilton County can spend NSP funding in Noblesville; the communities of Atlanta, Sheridan and Arcadia will need to pursue state of Indiana NSP funding.

Map 1.

Hamilton County Foreclosures 2007 & 2008



Legend
● 2008 Foreclosed Homes
● 2007 Foreclosed Homes

Source: Hamilton County Government and US Census Bureau.
Map Created: October 15, 2008



The above graphic (Map 1), shows each foreclosed property from 2007 through September or 2008. The map demonstrates a broad dispersion across the southern half of the county in addition to concentrations in each of the northern communities.

Table 3 Hamilton County Housing Starts by Year		
Year	# starts	% change
2008*	1295	-31%
2007	2412	-13%
2006	2788	-23%
2005	3608	-3%
2004	3731	2%
2003	3655	5%
2002	3466	-8%
2001	3772	7%
2000	3509	-8%
1999	3802	
*data through 10/31/08		

Table 3 illustrates not only the tremendous number of new housing units constructed over the past eight years in Hamilton County but also demonstrates the drastic reduction in the number of units being built over the past few years. The sheer number of foreclosures in past few years have impacted the market and prevented builders from constructing new housing in an area that continues to grow in population.

As demonstrated in the above map and tables, the foreclosures in Hamilton County are widely dispersed across the southern half of Hamilton County roughly in the form of a triangle or half circle. With this broad dispersion across many neighborhoods and most communities it is imperative that the county provide access to NSP funds to communities most impacted by the foreclosure crisis. Noblesville has experienced 821 foreclosures or 7.25% of the total housing stock in the past two years. Carmel, Fishers and Westfield have experienced 294 units (2.08%), 455 units (2.99%) and 214 units (5.93%) respectively. This accounts for almost 1,800 units, or 83.5% of all foreclosures in Hamilton County in the past two years.

Sheridan, Atlanta and Arcadia have also experienced significant foreclosure rates. Sheridan has experienced 74 foreclosures, or 7.49% of their total housing stock. Since these communities are not participating in the Hamilton County CDBG program the county recommends that they participate in the state of Indiana NSP program.

Based upon the above information as well as data provided by HUD, the county will target NSP funds with high priority to Noblesville and Fishers, and medium priority to Carmel, Westfield and Cicero as well as their adjoining unincorporated areas.

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:

The county will distribute NSP funds to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed with sub-prime mortgage loans, and identified by the county as likely to face a significant rise in the rate of home foreclosures. Accordingly, the county will meet the requirements set forth in section 2301(c)(2) of HERA when expending NSP funds.

Most of the activities eligible under the NSP represent a subset of the eligible activities under the traditional CDBG program. Certain CDBG eligible activities correlate to specific NSP activities and vice versa.

The County will ensure that 100% of the NSP funds will be used to benefit individuals and households with incomes below 120% of the area median income (AMI). In addition, at least 25% of the NSP funds will be used to benefit individuals and families earning less than 50% of the area median income.

Hamilton County developed specific housing programs to benefit very low (households of less than 50% of AMI, and the low, moderate, and middle income (households between 51 and 120% of AMI). Section G, Information by Activity, gives additional detail on each of the proposed NSP activities.

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

Blighted structures — The County will rely upon Indiana Code IC 36-7-9-4.5 in order to determine blight. A blighted structure will include, but is not limited to the following:

- a. Vacant structures often become dilapidated because the structures are not maintained and repaired by the owners or persons in control of the structures.
- b. Vacant structures that attract children, become harborage for vermin, serve as temporary abodes for vagrants and criminals, and are likely to be damaged by vandals or set ablaze by arsonists.
- c. Unkept grounds surrounding vacant structures invite dumping of garbage, trash, and other debris.

- d. Vacant, deteriorated structures contribute to blight, cause a decrease in property values, and discourage neighbors from making improvements to properties.
- e. Structures that remain boarded up for an extended period of time also exert a blighting influence and contribute to the decline of the neighborhood by decreasing property values, discouraging persons from moving into the neighborhood, and encouraging persons to move out of the neighborhood.

Other definitions:

Abandoned property — a property in which the mortgage or tax foreclosure process has been initiated for the property and no mortgage or tax payments have been made in 990 days and the property has been vacant for 90 days.

Current market appraised value — the value of a foreclosed home established through an appraisal made in conformity with the requirements of the URA (at 49 CFR 24.103) and complete within 60 days prior to an offer to purchase.

Foreclosed property — a property that is at the point, as defined by state or local law, where the mortgage or the tax foreclosure is complete and the title for the property has been transferred under a foreclosure proceeding or a transfer in lieu of foreclosure.

(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:

The NSP will follow the FY09 Fair Market Rents (FMR) for Hamilton County, Indiana

The following table shows the Final FY 2009 FMRs by unit bedrooms. The FMRs for units with different numbers of bedrooms are computed from the ratio of the 2005 Revised Final FMRs (based on 2000 Decennial Census Data) for the different unit sizes to the 2005 2-Bedroom Revised Final FMRs. These Rent Ratios are applied to the Final FY 2009 2-Bedroom FMR to determine the Final FY 2009 FMRs for the different size units.

Final FY 2009 FMRs By Unit Bedrooms

	<u>Efficiency</u>	<u>One-Bedroom</u>	<u>Two-Bedroom</u>	<u>Three-Bedroom</u>	<u>Four-Bedroom</u>
Final FY 2009 FMR	\$542	\$627	\$745	\$964	\$1,020

The FMRs for unit sizes larger than four bedrooms are calculated by adding 15 percent to the four bedroom FMR, for each extra bedroom. For example, the FMR for a five bedroom unit is 1.15 times the four bedroom FMR, and the FMR for a six bedroom unit is 1.30 times the four bedroom FMR. FMRs for single-room occupancy units are 0.75 times the zero bedroom (efficiency) FMR.

Periods of affordability

The NSP assisted units will follow the HOME regulations regarding the period of affordability.

The following affordability periods apply to ALL NSP funded projects, including rental and homebuyer housing:

Amount of NSP subsidy per unit	Affordability Period
Under \$15,000 per unit	5 years
\$15,000 - \$40,000 per unit	10 years
Over \$40,000 per unit – or – any rehabilitation/refinance combination activity	15 years
New Construction or acquisition of newly constructed permanent rental housing	20 years

For rental properties, the NSP assisted units must remain affordable for no less than the applicable period specified in the above table. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure.

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

Response:

Hamilton County will utilize the “recapture” option, defined below as the means to control the resale of property assisted with NSP funds during the affordability period. The length of the affordability period will be based on the amount of assistance received.

If the assistance is less than \$15,000 per unit, the affordability period will be five (5) years and the loan will be forgiven at a rate of 20% per year. If the assistance is \$15,000 to \$40,000, the affordability period will be ten (10) years and the loan will be forgiven at a rate of 10% per year. If the assistance is over \$40,000, the affordability period will be twenty (20) years and the loan will be forgiven at a rate of 5% per year.

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

Response:

As a result of the financial assistance under this program, and before other types of improvements may be made, any area or system of the house where NSP funds are spent must be raised to meet the U.S. Department of Housing and Urban Development (HUD) Section 8 Existing Housing Quality Standards (HQS) as recognized by HUD.

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: \$585,967.

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 county intends to expend at least 25% or \$585,967 of its NSP funds to provide affordable housing assistance, as well as to purchase and redevelop abandoned or foreclosed residential properties to house individuals or families with incomes up to 50% of the AMI.

E. ACQUISITIONS & RELOCATION

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

If so, include:

- **The number of low- and moderate-income dwelling units—i.e., ≤ 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., ≤ 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:

It is not the intent of this program to provide NSP funding to demolish or convert any low and moderate income dwelling units. There is no documentation or evidence that there is a significant amount of foreclosed residential properties in need of demolition. All

properties purchased with NSP funds must be vacant at the time of sale and must have been vacant since the foreclosure was finalized.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

Per the NSP guidelines, a notice of public hearing was published in a newspaper of general circulation. The notice indicated that the 15 day public comment period would commence on November 7, 2008 and end November 22, 2008. As required, the county posted the proposed NSP Substantial Amendment on the county web-site for 15 days prior to the public hearing, making it available for public review.

A summary of public comments for the proposed NSP Substantial Amendment will be provided following the 15 day public comment period.

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

(1) Activity Name: DOWNPAYMENT ASSISTANCE TO BUYERS OF FORECLOSED PROPERTIES (NSP-1)

(2) Activity Type:

NSP-1: NSP Eligible Uses
Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties (HERA, 2301 (c)(A))
NSP-1: CDBG Eligible Uses
Direct Home Ownership Assistance (24 CFR 570.201 (n))

(3) National Objective: Benefiting low, moderate and middle income persons, as defined in the NSP notice. More specifically the program is expected to benefit primarily low, moderate and middle income (51% to 120% of AMI) purchaser-occupants, but will also benefit some very low (50% and below AMI).

(4) Projected Start Date: December 2008/January 2009 (from receipt of grant)

(5) Projected End Date: December 2012/January 2013 (4 years)

(6) Responsible Organization: Noblesville Housing Authority, 320 Kings Lane, Noblesville, IN 46060. Mark McConaghy, CDBG Coordinator, (317) 773-5110, extension 104.

(7) Location Description: Countywide excluding the communities of Arcadia, Atlanta and Sheridan because they have opted out of the County CDBG program. Participants will be encouraged to select properties in the county's identified high and medium risk areas.

(8) Activity Description: The purpose of the program is to assist mostly first time homebuyers (or homebuyers who have not owned a home for at least three years) to quickly purchase and occupy a foreclosed single family homes before vandalism and blight become acute. The County would make conditional second mortgage loans to purchaser-occupants via the following guidelines:

- Available to **owner-occupied home buyers** (no investors).
- Hamilton County will coordinate with lenders, mortgage servicers, Fannie Mae, Freddie Mac, and HUD to identify foreclosed properties. Lenders will be required to sell the properties listed at a discount. The NSP Federal Register Notice addresses purchase discounts of 5 percent (individual purchase) and 15 percent (aggregate purchases).
- **Hamilton County will offer up to \$25,000 (not to exceed 20 percent of the purchase price) in down payment assistance** (as a second mortgage loan) to buyers who purchase listed homes. This assistance may be used in conjunction

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

(1) Activity Name: ACQUISITION OF FORECLOSED OR ABANDONED SINGLE FAMILY HOMES FOR RENTAL HOUSING

(2) Activity Type:

NSP-2: NSP Eligible Uses
Financing mechanisms for purchase and redevelopment of foreclosed rental housing (HERA, 2301 (c)(3)(A))
NSP-2: CDBG Eligible Uses
24 CFR 570.201 (a): Acquisition, 201(b) Disposition, 202 Eligible rehabilitation and preservation Activities for homes and other residential properties

(3) National Objective: Benefiting low, moderate and middle income persons, as defined in the NSP notice. The NSP-2 program is expected to primarily benefit households at or below 50% of the AMI.

(4) Projected Start Date: December 2008/January 2009 (from receipt of grant)

(5) Projected End Date: December 2012/January 2013 (4 years)

(6) Responsible Organization: Noblesville Housing Authority, 320 Kings Lane, Noblesville, IN 46060. Mark McConaghy, CDBG Coordinator, (317) 773-5110, extension 104.

(7) Location Description: Countywide excluding the communities of Arcadia, Atlanta and Sheridan because they have opted out of the County CDBG program. Participants will be encouraged to select properties in the county's identified high and medium risk areas.

(8) Activity Description: The purpose of the NSP-2 program is to purchase (and rehabilitate as necessary) foreclosed or abandoned housing for rental to primarily benefit households at or below 50% of AMI. The County would use NSP funds to purchase and rehabilitate foreclosed or abandoned single family homes for use as rental properties. Properties could be purchased for the Noblesville Housing Authority's own portfolio or the county could assist non-profit partners in acquisition and rehabilitation. The form of the county's assistance would be a grant or subordinated mortgage. The county would make every effort to leverage these investments, loan and/or grants with FHA or other first mortgages. This would be the county's primary program for benefiting households at or below 50% of the area median income. Long term agreements or deed covenants would be recorded to ensure long term affordability (up to 15 years).

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

(1) Activity Name: ACQUISITION OF FORECLOSED OR ABANDONED SINGLE FAMILY HOMES OR PROPERTIES FOR RENTAL HOUSING

(2) Activity Type:

NSP-3: NSP Eligible Uses
Redevelop demolished or vacant properties (HERA, 2301 (c)(3)(A))
NSP-3: CDBG Eligible Uses
24 CFR 570.201 (a): Acquisition, 201(b) Disposition, 202 Eligible rehabilitation and preservation Activities for homes and other residential properties

(3) National Objective: Benefiting low, moderate and middle income persons, as defined in the NSP notice. The NSP-3 program is expected to primarily benefit households at or below 50% of the AMI.

(4) Projected Start Date: December 2008/January 2009 (from receipt of grant)

(5) Projected End Date: December 2012/January 2013 (4 years)

(6) Responsible Organization: Noblesville Housing Authority, 320 Kings Lane, Noblesville, IN 46060. Mark McConaghy, CDBG Coordinator, (317) 773-5110, extension 104.

(7) Location Description: Countywide excluding the communities of Arcadia, Atlanta and Sheridan because they have opted out of the County CDBG program. Participants will be encouraged to select properties in the county’s identified high and medium risk areas.

(8) Activity Description: The purpose of the NSP-3 program is to purchase foreclosed or abandoned housing and property for rental to primarily benefit households at or below 80% of AMI. The County would use NSP funds to purchase and rehabilitate foreclosed or abandoned properties for the construction of affordable rental properties. The County could assist non-profit partners in acquisition and the partner would access other public and private funding sources for the construction of rental housing affordable to households making up to 80% of the area median income. The form of the county’s assistance would be a grant or subordinated mortgage. The county would make every effort to leverage these investments, loan and/or grants with FHA or other first mortgages. This program for benefiting households at or below 80% of the area median income. Long term agreements or deed covenants would be recorded to ensure long term affordability (up to 15 years).

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

Date

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): _____ Lead Agency Jurisdiction Web Address: <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Address: Telephone: Fax: Email:
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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 _____.

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 page _____.

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 _____.
- a definition of “affordable rents,”
Yes No . Verification found on page _____.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes No . Verification found on page _____.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?
Yes No . Verification found on page _____.

D. INFORMATION BY ACTIVITY

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 _____.
- correlated eligible activity under CDBG,
Yes No . Verification found on page _____.
- the areas of greatest need addressed by the activity or activities,
Yes No . Verification found on page _____.
- expected benefit to income-qualified persons or households or areas,
Yes No . Verification found on page _____.
- appropriate performance measures for the activity,
Yes No . Verification found on page _____.
- amount of funds budgeted for the activity,
Yes No . Verification found on page _____.
- the name, location and contact information for the entity that will carry out the activity,
Yes No . Verification found on page _____.
- expected start and end dates of the activity?
Yes No . Verification found on page _____.

E. SPECIFIC ACTIVITY REQUIREMENTS

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,
Yes No . Verification found on page _____.

If the activity provides financing,

- the range of interest rates (if any),
Yes No . Verification found on page _____.

If the activity provides housing,

- duration or term of assistance,
Yes No . Verification found on page _____.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page _____.
- does it ensure continued affordability?
Yes No . Verification found on page _____.
- 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 _____.

F. 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 _____.
- 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 _____.
Amount budgeted = \$____.

G. DEMOLISHMENT OR CONVERSION OF LOW- AND MODERATE-INCOME UNITS

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 _____.

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 _____.

- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 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 _____.
- 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 _____.

H. 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 _____.

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

Yes No Verification found on page _____.

I. WEBSITE PUBLICATION

The following Documents are available on the grantee’s website:

- SF 424 Yes No .
- Proposed NSP Substantial Amendment Yes No .
- Final NSP Substantial Amendment Yes No .
- Subsequent NSP Amendments Yes No .

Website URL: _____

K. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|--|------------------------------|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds ≤ 120 of AMI | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |