

St. Louis County NSP-3

Substantial Amendment to the Neighborhood Stabilization Plan

St. Louis County has determined that its Neighborhood Stabilization Plan3 (NSP3) needs to be amended. The following amendments reflect a larger target area than originally planned and NSP3 funds will be used for acquisition of foreclosed and vacant properties.

1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Jim Holtzman
Email Address	Jholtzman2@stlouisco.com
Phone Number	314-615-4414
Mailing Address	121 S. Meramec, Ste. 444, St. Louis, MO 63105

1. Areas of Greatest Need

Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as an attachment. St. Louis County wishes to amend its original Substantial Amendment to include a broader target area. The additional target areas all have census tract ratings of 13 or higher.

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.

Response:

St. Louis County used the HUD mapping tool to identify census tracts with a score of 13 or higher and would like to use some of those identified. There are some areas of the County where census tracts had scores of 13 or greater which are not included in this amendment. Those areas have seen considerable investment by private developers resulting in a somewhat stronger market than other target areas in St. Louis County. We feel it is important to include the areas identified in this amendment to ensure that the areas of greatest need are targeted, to stimulate private investment where little to none currently exists and to ensure that funds can be spent in a timely manner. In the original plan which is still relevant today, the County used data provided by HUD from its mapping tool, in addition, St. Louis County Assessment data was used to show the changes in relation to ownership of properties within two school districts. The data in the market analysis was derived from American Community Survey (US Census Bureau), Trulia.com, RealtyTrac.com, County Assessor's and Recorder's data, blockshopper.com and US Post office vacancy data. Employment data was supplied by the Current Economic Conditions in the Eighth Federal Reserve District prepared by the Center for Regional Economics – 8th District (CRE8) Federal Reserve Bank of St. Louis. Foreclosure by County data supplied by RealtyTrac and reported on stltoday.com on Wed. January 12, 2011.

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:

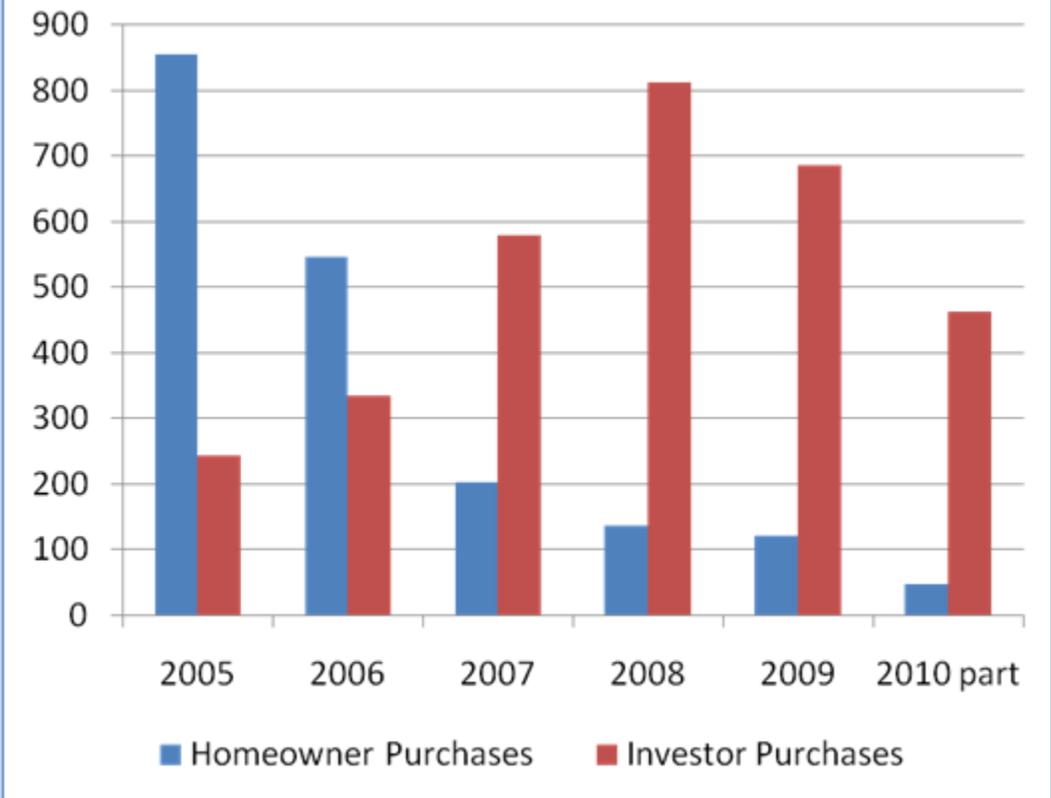
Foreclosure continues to be a considerable concern for St. Louis County. In 2010 4,539 properties were foreclosed, a 17% increase from 2009. Sixteen percent (16%) of all homes in St. Louis County were in foreclosure, compared to the State's 12% rate and the National rate of 20% according to RealtyTrac.com. Unemployment rates in November 2010 were at 9.7%, MSA wide, higher than the nation's rate of 9.5%. The highest percentages of foreclosures have occurred in homes with less than 1000 sq. ft. and were valued at less than \$100,000. This data reveals that the majority of foreclosures in the County are smaller more affordable homes, typically built as Pre and Post WWII housing and traditionally occupied by low-to-moderate income homeowners. To confirm our target areas were consistent with this data further research and analysis was completed using zip codes. Zip code data derived from Trulia.com indicates similar findings.

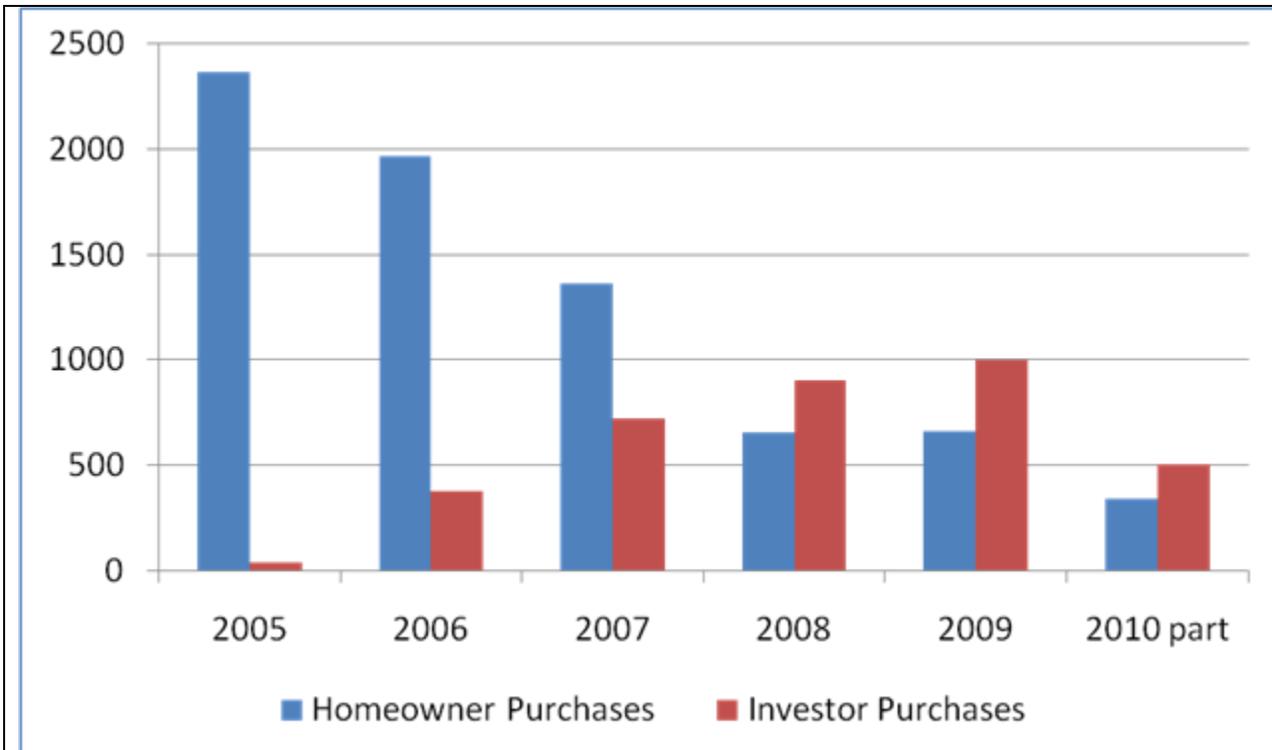
In our foreclosure core area, the initial subprime-driven wave of foreclosures has caused a distorted housing market that has pushed housing prices down, largely through an oversupply of REO properties marketed at steeply discounted prices. In this climate, a homeowner in financial stress will find it difficult to sell their property at a price that allows their mortgage to be paid off.

This dynamic would be aggravated by two other factors. First, lending practices in the subprime era resulted in a large proportion of homeowners, whether from refinance or purchase loans, with very high loan to value ratios even before any home price declines. Second, the 2008 recession disproportionately affected workers in blue collar occupations such as construction and manufacturing and lower income workers in general. To the extent that such workers are a large share of the foreclosure core area, a larger proportion of homeowners will have seen income disruptions.

An analysis of homebuyer activity vs. investor activity in just two school districts over the past 5 years in North County shows the impact of the foreclosure crisis on the ability of owner occupants to purchase a home.

The graph below shows homeowner purchase activity vs. investor activity in the Riverview Gardens School District:





This graph for the Hazelwood School District:

The most alarming statistic over the last few years is the drop in sales prices, Realty Trac data states the average home sales price has dropped from \$100,000 to \$62,675 a 40% drop from a year ago. The drop in sales price, the largest in the State, will most certainly affect all facets of the County market.

Under NSP 1, St. Louis County financed the acquisition of 130 foreclosed properties. Most of those properties have been rehabilitated using funds allocated from NSP, either from the County's direct allocation or through its allocation from the State of Missouri. As rehabilitated homes have sold, program income was generated and used to renovate the remaining properties acquired in the first acquisition wave.

Priority 1

The County as a first priority will utilize its direct allocation of NSP 3 funds from HUD to finance the acquisition of additional properties for rehabilitation and/or possible demolition. Federal and State NSP 1 and NSP 3 regulations will be followed to acquire the new eligible properties.

The targeted areas for NSP 3 include the original areas as well as an expanded geography to help target funds in the areas of greatest need. The originally combined areas have a Total NSP 3 needs score of 15.5, the State of Missouri's minimum score being 13. The added areas of greatest need have a combined needs score of 16.65, greater than the original target area and still well above the State of Missouri's minimum score of 13.

A summary of the additional target neighborhoods are as follows:

Location	NSP3 Need Score	#of Foreclosure starts in the Past Year
Jennings/63136	17.83	800
Spanish Lake/63138	17.73	249
Riverview/63137	17.36	338
Ferguson	16.75	339
Normandy School District	17.20	450
Berkley/Overland/63134	13.57	541
University City-North of Olive	16.12	103

The following areas were identified in the County's original NSP3 plan and are still target areas for acquisition.

Jennings – This North St. Louis County municipality has the highest foreclosure rate in the State. The areas of the City we are targeting are areas that have a higher rate of homeownership, are mostly brick structures built in the late 1940's early 1950's, and of similar design. The higher incidence of foreclosure is occurring in areas where the housing stock design and construction vary. The neighborhood has a need score of 17.14. Trulia.com states an increase in the median sales price from 2009-2010 of 16.9%. Four properties were acquired under NSP1 in this neighborhood.

Total Housing Units to receive a mortgage between 2004 and 2007: 101
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 57.09
Percent of Housing Units 90 or more days delinquent or in foreclosure: 15.05
Number of Foreclosure Starts in past year: 8
Number of Housing Units Real Estate Owned July 2009 to June 2010: 4

Kilbourn - An area of North St. Louis County in the Hathaway Manor South subdivision, this neighborhood has maintained a relatively stable homeownership base. Although the area has a high need score (19), the specific targeted neighborhood within the subdivision is fairly stable, only one new foreclosure start in the past year, and likely to sustain a homeownership program. One property was acquired under NSP1 in this neighborhood

Total Housing Units to receive a mortgage between 2004 and 2007: 15
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 66.7
Percent of Housing Units 90 or more days delinquent or in foreclosure: 17.7
Number of Foreclosure Starts in past year: 1
Number of Housing Units Real Estate Owned July 2009 to June 2010: 1

Overland – the neighborhood within the municipality designated by this targeted area, is fairly stable (need score of 12). However, recent Trulia.com statistics show a decrease in sales price of 6.8% from 2009. The County's rehabilitation and redevelopment of the few selected homes within this area will create a stable impact for the surrounding properties. Three properties were acquired under NSP1 in this neighborhood

Total Housing Units to receive a mortgage between 2004 and 2007: 39
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 33.8
Percent of Housing Units 90 or more days delinquent or in foreclosure: 9.3
Number of Foreclosure Starts in past year: 2
Number of Housing Units Real Estate Owned July 2009 to June 2010: 1

Northwoods/Pine Lawn – North County municipalities suffering from foreclosure, (a need score of 18), this targeted area also maintains a large vacancy rate, with most properties constructed over 80 years ago. Small one and two bedroom homes less than 1000 square feet predominate the market, although support by a large non-profit has infused capital investments by public private investments, the target for this area is rental and long term affordability managed by the non-profit with social services provided. Two properties were acquired under NSP1 in this neighborhood

Total Housing Units to receive a mortgage between 2004 and 2007: 62
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 68.4
Percent of Housing Units 90 or more days delinquent or in foreclosure: 16.6
Number of Foreclosure Starts in past year: 5
Number of Housing Units Real Estate Owned July 2009 to June 2010: 3

Bissell Hills - This subdivision within the City of Bellefontaine Neighbors consists mainly of owner-occupied single family homes constructed post World War II. The neighborhood remains fairly stable, despite its need score of 16. Tight building codes enforced by the city have kept the neighborhood fairly strong, and work to improve the school district has made this neighborhood a target for homeownership. The median sales price is \$38,675 Three properties were acquired under NSP1 in this neighborhood

Total Housing Units to receive a mortgage between 2004 and 2007: 187
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 49.7
Percent of Housing Units 90 or more days delinquent or in foreclosure: 14
Number of Foreclosure Starts in past year: 14
Number of Housing Units Real Estate Owned July 2009 to June 2010: 8

Forestwood – This neighborhood within the City of Ferguson holds a high need score of 16. Efforts to strengthen the neighborhood at this stage will be targeted at strong well maintained rental, with some for sale. Mostly frame construction homes, built in the late 1950's, this fairly large neighborhood while still mostly owner-occupied, continues to be impacted by a high foreclosure rate. The City of Ferguson encourages rehabilitation and reconstruction efforts to increase square footage of rehabbed homes. Three properties were acquired under NSP1 in this neighborhood.

Total Housing Units to receive a mortgage between 2004 and 2007: 226
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 48.4
Percent of Housing Units 90 or more days delinquent or in foreclosure: 12.8
Number of Foreclosure Starts in past year: 15
Number of Housing Units Real Estate Owned July 2009 to June 2010: 8

Imperial Bon Oak - This target area is located within the Northland Hills subdivision of the City of Dellwood . The need score for the neighborhood is 18. Mostly frame construction homes built in the

late 1950's, median sales prices for the year are low, \$37,000, but the specific neighborhood appears to be relatively stable and should support homeownership. More than 10% of homes are vacant as of March 2010. Three properties were acquired under NSP1 in this neighborhood for sale.

Total Housing Units to receive a mortgage between 2004 and 2007: 69
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 60.5
Percent of Housing Units 90 or more days delinquent or in foreclosure: 16.1
Number of Foreclosure Starts in past year: 6
Number of Housing Units Real Estate Owned July 2009 to June 2010: 3

Pagedale 2 - The City of Pagedale located in the Normandy School district is a target of a local non-profit organization's efforts to stabilize the central core of St. Louis County. The majority of residents (66.71%) in the area have incomes at or below 80% ami. NSP funds leveraged with tax credits, private investment and other government funds increase the availability of decent affordable rental property as well as new commercial opportunities. The need score is 17.12. 58.38% of housing units financed between 2004 -2007 were high cost mortgages. Targeted properties will be rehabilitated or redeveloped in combination with other development. Two properties were acquired under NSP in this neighborhood for rent to families at or below 50% AMI.

Total Housing Units to receive a mortgage between 2004 and 2007: 131
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 58.38
Percent of Housing Units 90 or more days delinquent or in foreclosure: 14.71
Number of Foreclosure Starts in past year: 10
Number of Housing Units Real Estate Owned July 2009 to June 2010: 6

Spanish Lake 3 - This unincorporated targeted area is a focus for St. Louis County, as a part of concerted efforts within County government. Predominately single family homes were constructed from the 1950's through the early 1970's. The central core of the neighborhood consists mainly of frame 1000 sq ft. or less homes, while on either side properties are larger. While the central core has a higher rental occupancy, the outer regions remain owner occupied. The need score for this area is 17.36. Three properties were acquired under NSP in this neighborhood for sale.

Total Housing Units to receive a mortgage between 2004 and 2007: 129
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 52.5
Percent of Housing Units 90 or more days delinquent or in foreclosure: 14.71
Number of Foreclosure Starts in past year: 10
Number of Housing Units Real Estate Owned July 2009 to June 2010: 6

Plaza Dade – This targeted area by the City of Ferguson is scheduled for demolition with future plans to work with a developer to create new housing. The need score for this area is 18 and 71% of families earn incomes below 80% AMI. Funding of any demolition activity will come from program income, no NSP 3 direct allocation funds are set for this activity. Three properties were acquired under NSP in this neighborhood for demolition, land-banking and redevelopment.

Total Housing Units to receive a mortgage between 2004 and 2007: 136
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 56.9
Percent of Housing Units 90 or more days delinquent or in foreclosure: 15.4
Number of Foreclosure Starts in past year: 11

Number of Housing Units Real Estate Owned July 2009 to June 2010: 6

Lemay-Regina - The only community in South St. Louis County eligible to receive NSP funds, Lemay has a need score of 15. More than 75% of the area residents earn incomes below 80% AMI. Lemay has a strong community housing development organization (CHDO) and has a high level of owner occupied housing. Leveraging of NSP funds with HOME, and private financing has been in place for some time to assist in the successful homeownership programs of the CHDO. One property acquired under NSP remains to be developed in this neighborhood for sale .

Total Housing Units to receive a mortgage between 2004 and 2007: 167

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 41.6

Percent of Housing Units 90 or more days delinquent or in foreclosure: 12.1

Number of Foreclosure Starts in past year: 11

Number of Housing Units Real Estate Owned July 2009 to June 2010: 6

Kirkland Fletcher - Older neighborhoods in Jennings and Normandy, most properties were built in the 1940's of both brick and frame construction. The neighborhood carries a needs score of 15. Just over half of residents in this targeted area earn incomes below 80% AMI. Two properties were acquired under NSP in this neighborhood for either sale or rental to families at or below 50% AMI.

Total Housing Units to receive a mortgage between 2004 and 2007: 15

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 43.1

Percent of Housing Units 90 or more days delinquent or in foreclosure: 11.7

Number of Foreclosure Starts in past year: 1

Number of Housing Units Real Estate Owned July 2009 to June 2010: 0

Elliot-Weleba – Ferguson and Cool Valley are adjacent North County municipalities. The need score for this area is 18. Over 60% of residents earn incomes below 80% AMI. Two properties were acquired under NSP in this neighborhood for sale, and are adjacent to other St. Louis County assisted properties.

Total Housing Units to receive a mortgage between 2004 and 2007: 14

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 56.9

Percent of Housing Units 90 or more days delinquent or in foreclosure: 15.4

Number of Foreclosure Starts in past year: 1

Number of Housing Units Real Estate Owned July 2009 to June 2010: 1

Overland 2 – An older area of North County with homes built mainly in the 1940's, it holds a need score of 13.46%. Mostly owner occupied, 47.6% of residents earn income at or below 80% AMI. Pockets of the area are experiencing higher vacancy rates, and targeted rehabilitation and redevelopment are planned for this area. Four properties were acquired under NSP in this neighborhood for sale or redevelopment.

Total Housing Units to receive a mortgage between 2004 and 2007: 635

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 37.92

Percent of Housing Units 90 or more days delinquent or in foreclosure: 10.25

Number of Foreclosure Starts in past year: 33

Number of Housing Units Real Estate Owned July 2009 to June 2010: 19

Darlington – This neighborhood holds a need score of 18, which appears to be an anomaly given its stable appearance. Homes mostly brick were constructed mainly in the 1960s with total living areas over 1500 sq. ft. The median sales price for the area is \$92,000, One property was acquired under NSP in this neighborhood for sale.

Total Housing Units to receive a mortgage between 2004 and 2007: 66
 Percent of Housing Units with a high cost mortgage between 2004 and 2007: 54.3
 Percent of Housing Units 90 or more days delinquent or in foreclosure: 15.8
 Number of Foreclosure Starts in past year: 6
 Number of Housing Units Real Estate Owned July 2009 to June 2010: 3

Maddox – This neighborhood is relatively stable with just a few homes that appear to be distressed. The need score for the neighborhood is 12, and 48.2% of families earn incomes at or below 80% AMI. Mostly single family homes, mixed styles and construction, although they are fairly well maintained. Rehabbing of a limited number of homes will have a positive impact on the overall neighborhood. One property was acquired under NSP in this neighborhood for sale or redevelopment.

Total Housing Units to receive a mortgage between 2004 and 2007: 83
 Percent of Housing Units with a high cost mortgage between 2004 and 2007: 33.8
 Percent of Housing Units 90 or more days delinquent or in foreclosure: 9.3
 Number of Foreclosure Starts in past year: 4
 Number of Housing Units Real Estate Owned July 2009 to June 2010: 2
 Maps of the targeted neighborhoods above are attached as Map Submissions.

Priority 2

The second priority is demolition of property in select target areas where demolition is the most appropriate activity. One such neighborhood is the Plaza-Dade neighborhood of the City of Ferguson. The unemployment rate in this neighborhood is 18.1%, 71% of families within this area earn incomes at or below 80% AMI. The vacancy rate in this neighborhood is high, due mainly to the number of abandoned housing units, high levels of high cost mortgages and high unemployment.

Priority 3

The final priority for NSP 3 funds in St. Louis County is to continue to rehabilitation and redevelopment of foreclosed properties within these targeted areas. NSP3 funds will be used as well as program income generated through the sale of completed homes.

2. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	Blighted structure – shall mean any dwelling predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities or any combination of these factors are detrimental to safety, health and morals. As stated in section 99.320 of the Missouri Revised Statutes.
Affordable Rents	Affordable rents – 1. A monthly amount not to exceed 30% of 1/12th of the

	gross annual income of household members, minus an allowance for tenant furnished utilities and other services, as defined by the St Louis County Housing Authority. 2. Missouri Housing Development Commission’s established rent levels. The County will use whichever method most appropriately meets the guidelines of NSP for a particular property.
--	---

Descriptions

Term	Definition										
Long-Term Affordability	<p>Deed restrictions such as deeds of trust and/or regulatory agreements binding the property will be placed on each property restricting sale or lease of the property to households whose combined income does not exceed 120% of the area median income or 50% of the area median income as necessary to meet the HUD requirement. The affordability period will be 5-15 years for rehabilitated property and newly constructed for sale property and 20 years for newly constructed rental property, if any.</p> <p>RENTAL PROPERTY CONTINUING AFFORDABILITY PROVISIONS</p> <p>The County will incorporate NSP-assisted properties into its ongoing HOME Monitoring program. Annual rent certifications and income verification certifications will be conducted for each rental unit assisted with Neighborhood Stabilization Program funds. OCD staff currently performs these certifications and will add these units to their portfolio. In addition, the County will require property owners receiving assistance under the NSP program to sign legal documents which specify the terms of affordability. These documents will be recorded, creating land use restrictions and specific penalties for not adhering to the affordability requirements, and will run with the property for the applicable time period, no matter who the owner of the property is. Units to be rehabilitated with NSP funds must be tenant income and rent controlled for varying lengths of time depending upon the average amount of NSP funds invested per unit. These time periods are set forth below and are the same as the HOME time periods.</p> <p>NSP AFFORDABILITY PERIOD</p> <p>NSP Rehabilitation or Acquisition of Existing Housing—</p> <table border="1"> <thead> <tr> <th>NSP Amount Per Unit</th> <th>Minimum Period of Affordability in Years</th> </tr> </thead> <tbody> <tr> <td>Under \$15,000</td> <td>5</td> </tr> <tr> <td>Over \$15, 000 to \$40,000</td> <td>10</td> </tr> <tr> <td>Over \$40,000</td> <td>15</td> </tr> <tr> <td>New Construction of Rental Units</td> <td>20</td> </tr> </tbody> </table> <p>The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. OCD may use purchase options, right of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability</p>	NSP Amount Per Unit	Minimum Period of Affordability in Years	Under \$15,000	5	Over \$15, 000 to \$40,000	10	Over \$40,000	15	New Construction of Rental Units	20
NSP Amount Per Unit	Minimum Period of Affordability in Years										
Under \$15,000	5										
Over \$15, 000 to \$40,000	10										
Over \$40,000	15										
New Construction of Rental Units	20										

restrictions will be revived according to the original terms if, during the original affordability period, the owner of record before the termination event obtains an ownership interest in the housing.

OWNER-OCCUPIED PROPERTY CONTINUED AFFORDABILITY PROVISIONS

Resale requirements for owner-occupied properties will ensure that, at any sale during the affordability period, the home must be made available to a buyer whose family qualifies as an LMMI (at or below 120% of area median income) or a family meeting the 50% of area median income benefit test if the home has been counted towards that NSP funding category, and who will use the property as its principal residence. These resale requirements also ensure that the price at resale provides the original NSP-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement). The period of affordability is based on the total amount of NSP funds invested in the housing and will conform to the periods in the chart set forth above for rental housing. Deed restrictions, covenants running with the land, or other similar mechanisms will be used to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The County may use purchase options, right of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions will be revived according to the original terms if, during the original affordability period, the owner of record before the termination event obtains an ownership interest in the housing.

RECAPTURE PROVISIONS—OWNER-OCCUPIED AND RENTAL PROPERTY

Recapture provisions will ensure that the County can recover all or a portion of the NSP assistance to the homebuyers or rental property owners if the housing does not continue to be the principal place of residence of the eligible family or renters for the period of affordability. The County will structure recapture provisions based on its own program design and market conditions. The period of affordability is based upon the total amount of NSP assistance that enabled the homebuyer to buy the dwelling unit or the rental property owner to develop and own the property. For owner occupants, NSP assistance for recapture purposes includes any NSP funding that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., development subsidy). The following are four options for recapture requirements that may be used:

1. Recapture entire amount. OCD may recapture the entire amount of the NSP investment from the homeowner. (Note, however, the entire amount subject to recapture is the NSP assistance that enabled the homebuyer to buy the dwelling unit; it does Not include development subsidy.)

2. Reduction during affordability period. OCD may reduce the NSP

investment amount to be recaptured on a prorata basis for the time the homeowner has owned and occupied the housing measured against the entire affordability period.

3. Shared net proceeds. If the net proceeds are not sufficient to recapture the full NSP investment (or a reduced amount as provided for in paragraph 2 above) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the owner since purchase, we may share the net proceeds. The net proceeds are the sales price minus loan repayment (other than NSP funds) and closing costs.

The net proceeds may be divided proportionally, per the following formulas:

$$\frac{\text{NSP investment}}{\text{NSP investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{Program amount to be recaptured}$$

$$\frac{\text{Homeowner investment}}{\text{NSP investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{Amount to homeowner}$$

4. Owner investment returned first. We may permit the homebuyer to recover the homebuyer's entire investment (downpayment and capital improvements made by the owner since purchase) before recapturing the NSP investment.

NSP Assistance Used For:		
Affordability Subsidy	Affordability + Development Subsidy	Development Subsidy
Resale and/or Recapture provisions can be used	Resale and/or Recapture provisions can be used	Only Resale provisions can be used
Affordability period based on amount of NSP affordability subsidy	Affordability period may be based on amount of NSP affordability subsidy only	Affordability period based on amount of NSP development subsidy

Housing Rehabilitation Standards	The County's Housing Rehabilitation Standards can be found on the County
---	--

	web page: stlouisco.com/plan/nsp
--	--

3. Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.
Response: Total low-income set-aside percentage (must be no less than 25 percent): 25.00% Total funds set aside for low-income individuals = \$704,191

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.
Response: The County is working with two agencies that develop and manage rental property for lease to families at or below 50% of the area median income. Most of the set-aside funds will be used to finance the development of rental housing. However, our experience under NSP1 has proven that there are a number of well qualified homebuyers at this income level, who, with support of homebuyer education and careful counseling can be successful homebuyers. The County will continue to provide assistance to low income families to either rent or purchase an NSP3 financed home.

4. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	Yes
---	-----

If yes, fill in the table below.

Question	Number of Units
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.	20
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).	25
The number of dwelling units reasonably expected to be made available for	

households whose income does not exceed 50 percent of area median income.	15
---	----

5. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.

Response:
 The County’s Citizen Participation Plan regarding the requirement to create a Substantial Amendment states: “A Substantial Amendment will be considered to occur if the Consolidated Plan needs to be amended whereby 25% of any category of activity is either increased or decreased in dollars allocated towards that type of activity.” The allocation of NSP 3 funds to St. Louis County triggers this requirement.
 The County’s Citizen Participation Plan regarding public notice of a Substantial Amendment to its Consolidated Plan states: “In the event that the County finds it necessary to amend its Consolidated Plan to conform to the requirements for a Substantial Amendment, public notice will be given by placing an ad in the St. Louis Post-Dispatch notifying the public that a public hearing will be conducted to discuss the Substantial Amendment and solicit input from the concerned citizens. A period of thirty days will be allowed for the public to submit comments. “
 Superseding the County’s Citizen participation plan, HUD has provided a waiver to 24 CFR 91.105(c)(2), 91.105(k), 91.115(c)(2), and 91.115(i) to the extent necessary to allow the grantee to provide no fewer than 15 calendar days for citizen comment (rather than 30 days) for its initial NSP submission and any subsequent substantial NSP action plan amendment, and to require that, at the time of submission to HUD, each grantee post its approved action plan amendment and any subsequent NSP amendments on its official Web site along with a summary of citizen comments received within the 15-day comment period.
 St. Louis County has followed its Citizen Participation Plan by posting the Substantial Amendment on its website and soliciting comments by the public on that site for 15 days prior to submission to HUD , which if any, are attached to this Substantial Amendment. The County posted the Amendment on its website on February 7, 2011, no comments were received. The second amendment was carried out in the exact same manner as the first. The County posted the amendment on its web site on January 4, 2013 and solicited comments by the public for 15 days prior to submitting to HUD.

Summary of Public Comments Received.

The summary of public comments received is included as an attachment.

6. NSP Information by Activity

Activity Number 1	
Activity Name	For Sale to families at or below 120% AMI
Uses	Select all that apply:
	<input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/> Eligible Use C: Land Banking

	<input type="checkbox"/> Eligible Use D: Demolition	
	<input checked="" type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation and 570.201(n) direct homeownership assistance, financing mechanism.	
National Objective	Low Moderate Middle Income Housing (LMMH)	
Activity Description	<p>Rehabilitation or Redevelopment of eligible single family housing for sale to families at or below 120% AMI. This activity will occur within the areas of greatest need identified using the HUD mapping tool, for the rehabilitation or redevelopment of properties acquired, but not yet rehabbed under NSP 1. Use of NSP 3 funds to rehabilitate these properties accelerates the development of these properties, eliminating the need to wait for program income from NSP 1. It is anticipated that acquisition of new properties will occur under the initial allocation. At that time, Federal and State NSP 1 and NSP 3 regulations will be followed to acquire the new eligible properties.</p> <p>Rehabilitation of the properties will be conducted by the developers already selected under NSP 1. Development of the properties will incorporate NSP 3's new housing standards with emphasis on energy efficiency and encourage green building techniques. The County has revised its NSP Rehabilitation Standards to incorporate these changes, http://www.stlouisco.com/plan/NSP/index.html</p> <p>Financing mechanisms used to fund the rehabilitation of the properties by developers will be at zero percent interest secured by a deed of trust. The amount invested by the County will be returned upon sale to homebuyer less any development costs incurred.</p> <p>The tenure of the beneficiaries is homeownership. Eligible homebuyers with incomes <120% of the area median income will attend counseling and homebuyer preparation classes. The agencies providing the counseling will ensure income qualifications as well as ability to afford the home. We anticipate up to 15% of the sales of these homes to be affordable to families <50% of the area median income.</p> <p>The term of the assistance to the homebuyer will be in the form of a forgivable loan secured by a deed of trust, for down payment assistance structured on an income driven scale, with families at 50% of the area median or below to receive greater assistance than those at 120% of the area median income. Estimated range from \$5,000 to \$15,000. All homebuyers sign the NSP Resale - Recapture Policy statements to ensure affordability period is explained and understood.</p> <p>See Attachment: Vicinity Hiring</p>	
Location Description	Targeted areas identified by maps 1 - 16	
Budget	Source of Funding	Dollar Amount
	NSP3	\$1,228,195
	NSP 1 for Acquisition	\$300,000

	HOME Funds	\$1,000
Total Budget for Activity		\$1,529,000
Performance Measures	Rehabilitation of For Sale 25 homes	
Projected Start Date	Upon notification of funding	
Projected End Date	Project will continue as long as funds including program income are available until the program end date as defined by HUD	
Responsible Organization	Name	St. Louis County
	Location	121 S. Meramec, Ste 444, St. Louis, MO 63105
	Administrator Contact Info	<p>Jim Holtzman, jholtzman2@stlouisco.com In addition, St. Louis County will work with for profit and non-profit developers to rehabilitate and redevelop housing</p> <p>Michele Duffe Duffe-Nuernberger Realty Company, LLC 1425 S. 18th St St Louis, MO 63104</p> <p>Ms. Susan Rollins West County Properties 8865 Natural Bridge Rd St. Louis, MO 63121</p> <p>Tim Allman Allman Builders 5342 Lancelot Dr. St. Charles, MO 63304</p> <p>Rubicon Corp. Mathew Hartig 5872 Wellington Farm St. Charles, MO 63304</p> <p>C.F.Vatterott Construction Co. 10449 St. Charles Rock Road, St. Ann, MO 63074</p> <p>Lemay Housing Partnership P.O. Box 16356, St Louis, MO 63125</p> <p>Mark S. Mehlman Homes, LLC 50 South Bemiston, Suite 100, St. Louis, MO 63105</p>

Activity Number 2	
Activity Name	Rental of properties to families at or below 50% AMI
Use	Select all that apply: <input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	CDBG – 24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202, rehabilitation and 570.201 (n) housing services. Financing mechanisms will be used to ensure affordable rents.
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)
Activity Description	<p>Rehabilitation or redevelopment of eligible properties for lease to low income families. This activity will occur within the areas of greatest need identified using the HUD mapping tool, for the rehabilitation or redevelopment of properties acquired, but not yet rehabbed under NSP 1. Use of NSP 3 funds to rehabilitate these properties accelerates the development of these properties, eliminating the need to wait for program income from NSP 1. It is anticipated that acquisition of new properties will occur under the initial allocation. At that time, Federal and State NSP 1 and NSP 3 regulations will be followed to acquire the new eligible properties. We anticipate 100% of the rental of these homes to be made affordable to families <50 % of the area median income.</p> <p>Rehabilitation of the properties will be conducted by the developers already selected under NSP 1. Development of the properties will incorporate NSP 3's new housing standards with emphasis on energy efficiency and encourage green building techniques. The County has revised its NSP Rehabilitation Standards to incorporate these changes, http://www.stlouisco.com/plan/NSP/index.html</p> <p>The tenure of the beneficiaries is traditional rental.</p> <p>The financing mechanisms used to fund the rehabilitation of the properties by developers will be at zero percent interest secured by a Note and deed of trust and a regulatory agreement.</p> <p>Preference for the development of rental housing can be demonstrated by the County's NSP rental policy allowing for the following: Developers/Property Management providers keeping properties affordable and maintaining the properties to the standards set for St. Louis County NSP and County or municipal building codes will receive partial forgiveness of debt at the end of the affordability period. Upon completion of the rehabilitation, a new appraisal of the property is conducted. At the time of completion of the rehabilitation of the property, the Developer/Property Management Provider will enter into a Note and Deed of Trust in the amount of the appraised value,</p>

	<p>allowing for return of annual program income after all operating expenses, including reserves have been paid. At the maturity of the note, typically 15 years, if the property has continued to remain affordable and met the County and municipal property codes and NSP standards during the period of affordability, 50% of the Note is forgiven. During the period of affordability, these loans may be assumable by other Property Management Providers that enter into agreements with The County to continue providing affordable rental opportunities until the end of the affordability period.</p> <p>See Attachment: Vicinity Hiring</p>	
Location Description	Targeted areas identified by maps 1 - 16	
Budget	Source of Funding	Dollar Amount
	NSP3	\$704,191
	Acquisition from NSP 1	\$75,000
	HOME funds	\$66,000
Total Budget for Activity	845,191	
Performance Measures	Rental homes – 4 units	
Projected Start Date	Upon notice of funding	
Projected End Date	Project will continue as long as funds including program income are available until the program end date as defined by HUD	
Responsible Organization	Name	St. Louis County
	Location	121 S. Meramec, Ste 444, St. Louis, MO 63105
	Administrator Contact Info	<p>Jim Holtzman, jholtzman2@stlouisco.com . In addition, St. Louis County will work with non-profit developers to rehabilitate and redevelop housing.</p> <p>Chris Krehmeyer Beyond Housing 4156 Manchester St Louis, MO 63110</p> <p>Ms. Susan Rollins West County Properties 8865 Natural Bridge Rd St. Louis, MO 63121</p>

Activity Number 3	
Activity Name	For Sale to families at or below 50% of the AMI
Use	Select all that apply:
	<input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/> Eligible Use C: Land Banking
	<input type="checkbox"/> Eligible Use D: Demolition

	<input checked="" type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation and 570.201(n) direct homeownership assistance, financing mechanism.	
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)	
Activity Description	<p>Rehabilitation or Redevelopment of properties to be sold to families at or below 50% of the AMI. This activity will occur within the areas of greatest need identified using the HUD mapping tool, for the rehabilitation or redevelopment of properties acquired, but not yet rehabbed under NSP 1. Use of NSP 3 funds to rehabilitate these properties accelerates the development of these properties, eliminating the need to wait for program income from NSP 1. It is anticipated that acquisition of new properties will occur under the initial allocation. At that time, Federal and State NSP 1 and NSP 3 regulations will be followed to acquire the new eligible properties.</p> <p>Rehabilitation of the properties will be conducted by the developers already selected under NSP 1. Development of the properties will incorporate NSP 3's new housing standards with emphasis on energy efficiency and encourage green building techniques. The County has revised its NSP Rehabilitation Standards to incorporate these changes, http://www.stlouisco.com/plan/NSP/index.html</p> <p>Financing mechanisms used to fund the rehabilitation of the properties by developers will be at zero percent interest secured by a deed of trust. The amount invested by the County will be returned upon sale to homebuyer less any development costs incurred.</p> <p>The tenure of the beneficiaries is homeownership. Eligible homebuyers with incomes <50% of the area median income will attend counseling and homebuyer preparation classes. The agencies providing the counseling will ensure income qualifications as well as ability to afford the home. The term of the assistance to the homebuyer will be in the form of a forgivable loan secured by a deed of trust, for down payment assistance structured on an income driven scale, with families at 50% of the area median or below to receive greater assistance than those at 120% of the area median income. Estimated range from \$5,000 to \$15,000. All homebuyers sign the NSP Resale - Recapture Policy statements to ensure affordability period is explained and understood.</p> <p>See Attachment: Vicinity Hiring</p>	
Location Description	Targeted areas identified by maps 1 - 16	
Budget	Source of Funding	Dollar Amount
	NSP3	\$170,498
	NSP 1 acquisition	\$25,000
	(Other funding source)	\$
Total Budget for Activity	\$195,498	
Performance Measures	For Sale units – 1 home	

Projected Start Date	Upon notification of funding	
Projected End Date	Project will continue as long as funds including program income are available until the program end date as defined by HUD	
Responsible Organization	Name	St. Louis County
	Location	121 S. Meramec, Ste 444, St. Louis, MO 63105
	Administrator Contact Info	<p>Jim Holtzman, jholtzman2@stlouisco.com . In addition, St. Louis County will work with non-profits and for profit developers to rehabilitate and redevelop housing.</p> <p>Michele Duffe Duffe-Nuernberger Realty Company, LLC 1425 S. 18th St St Louis, MO 63104</p> <p>Ms. Susan Rollins West County Properties 8865 Natural Bridge Rd St. Louis, MO 63121</p> <p>Tim Allman Allman Builders 5342 Lancelot Dr. St. Charles, MO 63304</p> <p>Rubicon Corp. Mathew Hartig 5872 Wellington Farm St. Charles, MO 63304</p> <p>C.F.Vatterott Construction Co. 10449 St. Charles Rock Road, St. Ann, MO 63074</p> <p>Lemay Housing Partnership P.O. Box 16356, St Louis, MO 63125</p> <p>Mark S. Mehlman Homes, LLC 50 South Bemiston, Suite 100, St. Louis, MO 63105</p>

Activity Number 4	
Activity Name	Demolition and land banking of foreclosed and abandoned properties

Use	Select all that apply:	
	<input checked="" type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input checked="" type="checkbox"/>	Eligible Use C: Land Banking
	<input checked="" type="checkbox"/>	Eligible Use D: Demolition
	<input type="checkbox"/>	Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(a), acquisition, (b), disposition, (d)demolition, and (m) construction of housing.	
National Objective	Low Moderate Middle Income Housing (LMMH)	
Activity Description	Demolition and/or land banking of eligible properties for future use Only properties that are uninhabitable will be demolished, therefore, no affordable units will be demolished to accomplish this activity. See Attachment: Vicinity Hiring	
Location Description	Targeted areas identified by maps 1 - 16	
Budget	Source of Funding	Dollar Amount
	NSP3 Program Income	\$600,000
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$600,000	
Performance Measures	Properties acquired, demolished and land banked.	
Projected Start Date	Spring, 2013	
Projected End Date	Project will continue as long as funds including program income are available until the program end date as defined by HUD	
Responsible Organization	Name	St. Louis County
	Location	121 S. Meramec, Ste 444, St. Louis, MO 63105
	Administrator Contact Info	Jim Holtzman, jholtzman2@stlouisco.com . In addition, St. Louis County will work with non-profits, governmental and quasi-governmental agencies and for profit developers to hold, demolish, rehabilitate and redevelop housing. Natasha Ramey City of Ferguson 110 Church Ferguson, MO 63135 Ms. Susan Rollins West County Properties 8865 Natural Bridge Rd St. Louis, MO 63121
Activity Number 5		

Activity Name	Administration	
Use	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input type="checkbox"/>	Eligible Use D: Demolition
<input type="checkbox"/>	Eligible Use E: Redevelopment	
CDBG Activity or Activities	24 CFR 570-206	
National Objective	Administration is exempt from meeting a national objective	
Activity Description	Administration of NSP3	
Location Description	St. Louis County	
Budget	Source of Funding	Dollar Amount
	NSP3	\$281,376 + 10% of Program Income generated
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	281,376 + 10% of PI	
Performance Measures	(Enter all performance measures here)	
Projected Start Date	Upon notification of funding	
Projected End Date	Project will continue as long as funds including program income are available until the program end date as defined by HUD	
Responsible Organization	Name	St. Louis County
	Location	121 S. Meramec, Ste 444, St. Louis, MO 63105
	Administrator Contact Info	Jim Holtzman, jholtzman2@stlouisco.com

7. Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it 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-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that 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.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it 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.

(7) **Section 3.** The jurisdiction certifies that it 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.

(8) **Citizen participation.** The jurisdiction certifies that it 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.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**

- a. 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; and
- b. 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:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. 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 nonviolent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that 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 jurisdiction certifies that its 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 certifies that it will comply with applicable laws.

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

Signature/Authorized Official

Date

Title

Certifications for Non-Entitlement Local Governments

- (1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing.
- (2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that 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.
- (5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) **Acquisition and relocation.** The jurisdiction certifies that it 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.
- (7) **Section 3.** The jurisdiction certifies that it 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.
- (8) **Citizen participation.** The jurisdiction certifies that it 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.
- (9) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (10) **The jurisdiction certifies:**
 - a. 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; and
 - b. 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.

(11) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. 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 nonviolent civil rights demonstrations within its jurisdiction.

(12) **Compliance with anti-discrimination laws.** The jurisdiction certifies that 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.

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

(14) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.

(15) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(16) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

Signature/Authorized Official

Date

Title