

PROPOSED

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): City of Modesto <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: Barbara Kauss Address: PO BOX 642 Modesto, CA 95354 Telephone: (209) 577-5275 Fax: (209) 544-3982 Email: bkauss@modestogov.com
Jurisdiction Web Address: <i>www.modestogov.com</i>	

EXECUTIVE SUMMARY

The City of Modesto has a proven success record in administering CDBG entitlement funding. The staff within the City of Modesto is well versed in HUD regulations and has a vast knowledge in housing projects. Modesto plans to focus Neighborhood Stabilization Program funding in four main program areas:

Affordable Rental Housing: “Incentive Transfer Program”

- Partnering with the Housing Authority of the County of Stanislaus for an Incentive Transfer Program with \$2,025,000. This program would assist successful participants at or below 50% of the area median income in current Housing Authority Programs along to the next step and into single family homes. This will not only reward those that are successful in the program and move them along to eventually becoming self sustainable, it will also open up existing housing for other’s who are low income.

Down Payment Assistance Program

- Allocating \$1,400,000 in Down Payment Assistance funding specifically for residents purchasing abandoned or foreclosed properties. As part of this program, new homeowners will be required to participate in Housing Counseling.

Target Area Purchase & Rehabilitation

- An RFQ for \$2,000,000 will be issued to purchase and rehabilitate foreclosed properties within the Airport Neighborhood. Developers can submit their qualifications and be placed on a list. As they determine projects within focus areas including the Airport Neighborhood, the Weed and Seed areas and designated target areas, proposals can then be submitted for review and request of funding.

Scattered Site Purchase & Relocation

- Another RFQ for \$2,000,000 will be issued to purchase and rehabilitate foreclosed properties throughout the City of Modesto. Developers can submit their qualifications and be placed on a list. As the developers determine projects within the City of Modesto, they can submit them for review and request funding.

Neighborhood Stabilization Team

- The City of Modesto, Parks, Recreation and Neighborhoods Department, Housing Unit has staff with an average of more than 30 years of experience working with HUD programs. The following people will be working together as cohorts to implement and monitor the above proposed programs.

PROPOSED

- The Acting Deputy Director/Housing and Urban Development Manager has more than 26 years of experience in the public sector. This person will oversee and participate in the development of the programs, assign activities to the team members, monitor workflow and implement the procedures necessary to carry out the programs. The HUD Manager will also provide direction to the other team members working with the program.
- The Administrative Analyst serving as CDBG Program Manager has more than 6 years administering and managing grant funds. The Administrative Analyst will oversee the Neighborhood Stabilization Program and will coordinate the duties of the other team members, negotiate contracts, and ensure compliance of all HUD regulations.
- The Senior Community Development Specialist has more than 7 years of experience working with HUD programs and over 10 years administering grants and working with non-profit organizations and other affordable housing projects. This person also holds a HOME Specialist certificate issued by HUD. In addition to her other assignments, this person is the current administrator of the Down Payment Assistance Program and the American Dream Down Payment Initiative. The Down Payment Assistance Program will be managed by this person.
- The Administrative Analyst I serving as RDA Housing Set-Aside Manager has a marketing and business background and will work with the programs to ensure outreach to the citizens of Modesto. This position will work in developing the Request for Qualifications and establishing a developer list.
- A Budget Analyst with more than 20 years of budget experience will be monitoring funding to make sure that all regulations are followed and that percentages are met.
- The Environmental Review Specialist has more than 22 years of experience with environmental regulations and rehabilitation requirements in relation to HUD programs. The Environmental Specialist will be processing the environmental reports and will provide technical assistance regarding asbestos and lead based paint regulations, facilitating any testing needed for the projects.
- The Housing Financial Specialist has 33 years of experience working with finance, including loan documents and proformas. This person will manage the underwriting process of the loans for the Neighborhood Stabilization Program. In addition, all accounts payable and accounts receivables will be processed with the Housing Financial Specialist.
- The Housing Rehabilitation Specialist has 18 years of experience working with municipal Housing Rehabilitation Programs. One asset that will serve the programs is that the Rehabilitation Specialist is a draftsman and can draft plans for rehabilitation jobs, or new construction. This position will coordinate the rehabilitation projects including ensuring that the rehabilitation projects meet the Housing Quality Standards.
- Building Inspection staff will coordinate with the Housing Rehabilitation Specialist on all inspections to ensure that Housing Quality Standards are met, as well as verifying that all City codes are met.
- Support staff will work with all of the positions to process reports and assist citizens with the program guidelines.

The City of Modesto has met and coordinated the utilization of NSP funding with the County of Stanislaus, the local Housing Authority and the Redevelopment Agency to coordinate and compliment efforts. The City and County plan to partner together in the Airport Neighborhood, the Weed & Seed area and other target areas within the City of

PROPOSED

Modesto to make the greatest impact. There are several county pockets within Modesto where working cross-jurisdictionally will allow funding to bring about transformation and revitalization to those areas. All proposed components of the Modesto NSP are consistent with the Housing Authorities 5-year Plan, the RDA Master Plan and Housing Element, the Consolidated Plan, the General Plan and the 10-year Plan to End Long Term Homelessness.

A. AREAS OF GREATEST NEED

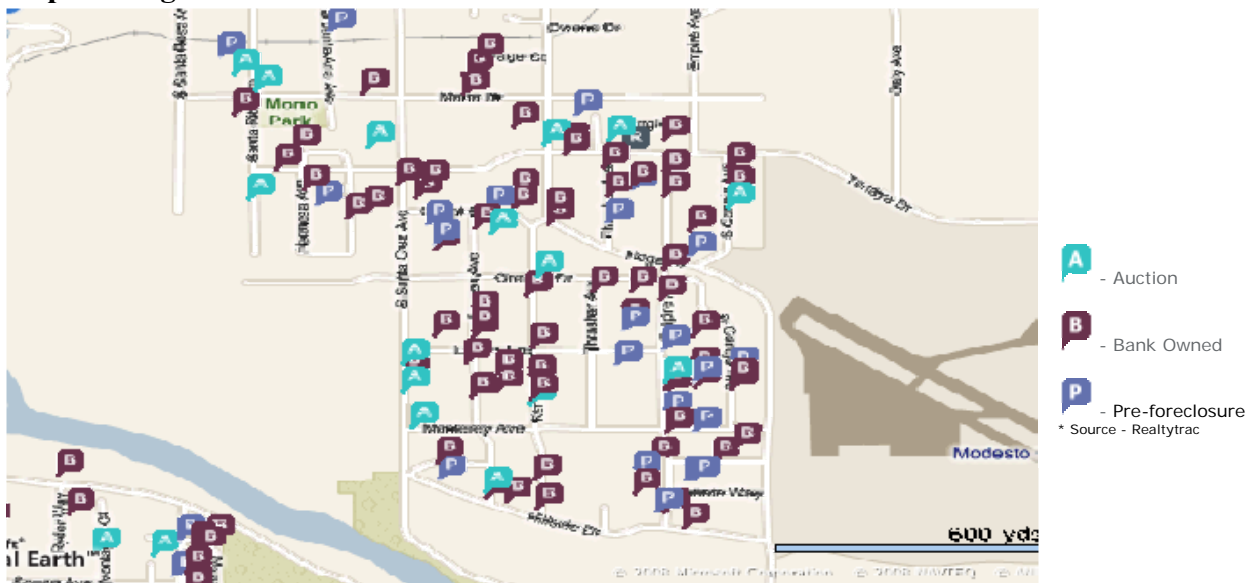
Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Response:

The City of Modesto has been negatively impacted with the foreclosure crisis due to the economic downturn. Approximately one in every ten homeowners in Modesto has a home somewhere in the foreclosure process. The residual impact of the foreclosure tragedy is that there is a ripple effect across the community including decline of neighborhoods, reduced tax revenue, diminished home equity, high unemployment rates and other crisis for families loosing their homes and jobs. A natural disaster, crime or military activity impacting this number of families would make international news. This is truly a crisis across our city with more than 7,000 homes somewhere in the foreclosure process.

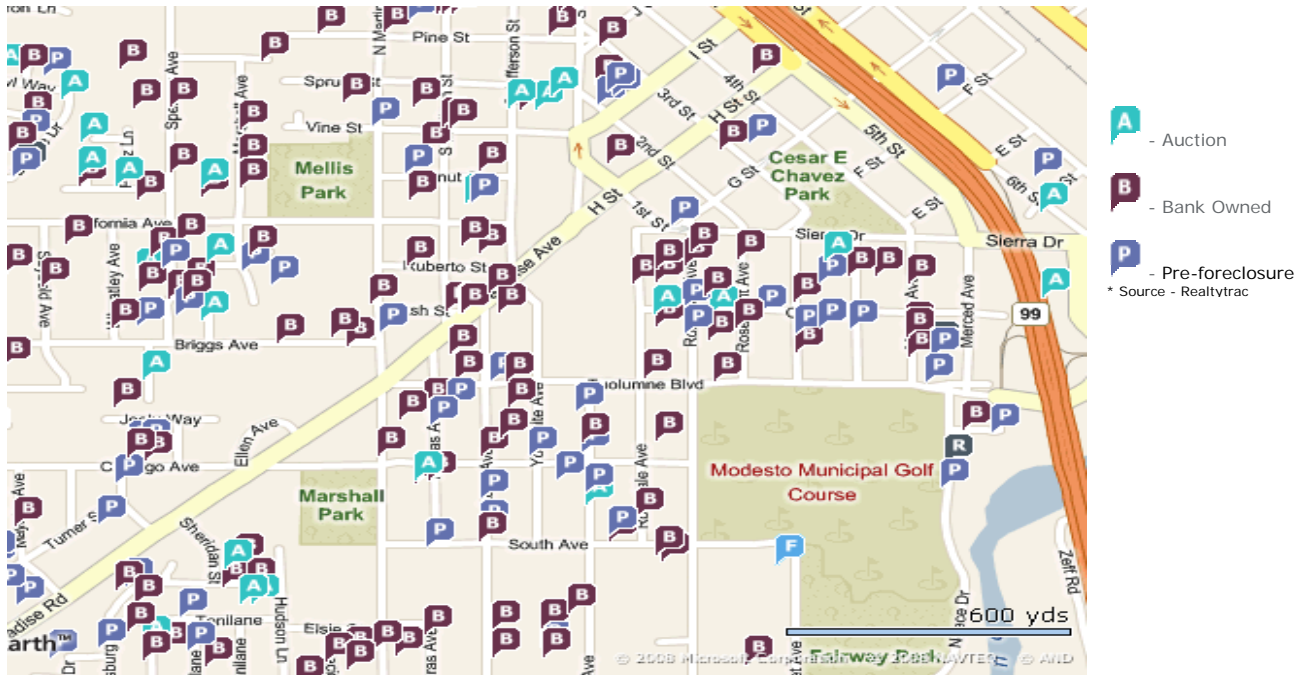
Data collected from several local sources as well as private sources like RealtyTrac and other foreclosure data providers show that the foreclosure problem is widespread in Modesto, with the information changing regularly. While there are abandoned and foreclosed homes all over the City of Modesto, there seems to be a concentration in the low income census tract areas. The neighborhood known as the Airport Neighborhood has a disproportionate concentration of foreclosed and abandoned properties, where approximately thirty percent of the homes are vacant. The City of Modesto also has a HUD designated Weed & Seed area which also has a high percentage of foreclosed homes.

Airport Neighborhood



PROPOSED

Weed & Seed Area



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 City of Modesto proposes a four-pronged approach to addressing the local foreclosure crisis with plans to focus funding into four main projects. The focus areas are an Incentive Transfer Program, Down Payment Assistance, Purchase and Rehabilitation by non-profit or for-profit agencies in the Airport Neighborhood, Weed & Seed area or other target areas, Purchase and Rehabilitation in other areas throughout Modesto. All projects will be subject to environmental review including, lead based paint testing, clearance and abatement, as well as any other health and safety testing. All projects will also be required to comply with all HUD regulations and any other stipulations set forth in the agreements.

The Incentive Transfer Program (ITP) is a partnership with Housing Authority of Stanislaus County in which the Housing Authority will purchase foreclosed and abandoned homes. Incentive Transfer is a nomination program that allows qualified residents, who are currently in good standing, to transfer into Housing Authority owned scattered-site homes. The goal of the Incentive Transfer program is to promote residents

PROPOSED

in family developments who are self-motivated and show willingness toward self-improvement, upward mobility and eventually to self-sufficiency.

The requirements for the Incentive transfer program are as follow:

- The nominated participant must be a resident who has resided under a lease with the Housing Authority for a period of at least twelve months.
- During the twelve month period, the nominated resident shall have paid all rent, utility, and other charges, if any, with no delinquencies.
- During the twelve month period, the nominated resident shall not have committed any violation of his/her lease.
- For the entire period of occupancy, the resident household shall not have a history of criminal activity involving any drug related criminal activity or crimes of physical violence to persons and/or property, or any other criminal acts which could adversely affect the health, safety or welfare of others.
- The resident household shall have a record free of complaints from any neighbor, staff, or others.
- The resident shall not have a record of below standard housekeeping.
- The resident shall have the willingness and capacity to perform yard maintenance, such as mowing and watering the grass, raking leaves, trimming trees and bushes, and maintaining sidewalks and parking areas.
- The resident should show a willingness and capacity for self-improvement and upward mobility. This can be demonstrated by a record of enrollment in job training, promotion programs, educational self-improvement courses, or active or educational organizations or programs.
- The resident shall have sufficient resources to pay the required rent, moving costs, any required utility company deposit, and for the duration of occupancy maintain utilities in the name of the head of household.

The City anticipates that the Housing Authority will create 10 units of rental housing through the ITP that would serve participants who certify income at or below 50% of the area median income. The program will transfer successful tenants to the scattered units which would free up approximately 10 existing units for low-income households currently on the Housing Authority waiting list.

The Down Payment Assistance Program will provide gap financing to income-eligible citizens to purchase foreclosed properties. The final sales price will be no greater than the initial acquisition and rehabilitation costs.

Income-eligible homebuyer’s earnings cannot be greater than 120% area median income as defined by HUD. The following Table shows the income limits for 120% as adjusted per family size in the Modesto Area.

HOUSEHOLD SIZE	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Modesto CA	\$47,450	\$54,250	\$61,000	\$67,800	\$73,200	\$78,650	\$84,050	\$89,500

The City anticipates that most, if not all of the units sold will require some form of gap financing to ensure affordability. Should an affordability gap exist, the gap financing will

PROPOSED

be provided with NSP funds based on the difference between the sales price and first mortgage loan amount. A minimum 1.5% down payment will be required of the homebuyer. The prospective buyers will be required to attend HUD-certified homebuyer counseling.

The loan shall not accrue interest during the first five years of the loan. During the first five years of the term of the loan, a monthly payment of 1% annually of the original loan amount will be required. These payments will go towards the principal of the loan. On the sixth year interest will start to accrue on the balance of the loan at 3% annually for homebuyers up to 80% of the area median income, and 4% annually for homebuyers with incomes from 81% to 120 % of the area median income.

The City's loan would be a soft second loan and will contain a resale covenant that will require that the home remain affordable and occupied by income- eligible persons up to 120% of the area median income during the entire affordability period. The resale covenants will be included in the City's Loan Agreement and in the Declaration of Conditions, Covenants and Restrictions to be executed by the City and Participant and shall be recorded against the property and be a covenant running against the land and bind participant and successor(s) for the entire affordability period.

The Down Payment Assistance Program will be consistent with the current City's Down Payment Assistance Program. The City anticipates that approximately 20 homebuyers will be assisted with NSP funds.

Target Area Foreclosure RFQ will provide loans to developers who are interested in purchasing and rehabilitating foreclosed or abandoned homes. The developers can be either non-profit or for-profit groups. Funding will be provided for feasible projects within the Airport Neighborhood, the Weed & Seed area and other target areas in the City of Modesto with a high concentration of foreclosures. This program will be consistent with the City of Modesto current Rehabilitation Program. The program will not only provide funding it will also provide financial and technical assistance to repair homes including critical health and safety hazards, and to provide assistance for disabled persons in making their homes more accessible. The City's loan will contain affordability covenants that will require that the homes remain affordable and occupied by income-eligible persons up to 120% of the area median income during the entire affordability period. If the units are for sale resale covenants should be included in the loan agreement with each participant. If the units are acquired, rehabilitated for rental units, rents charged to participants can not be greater than Fair Market Rents.

The City anticipates that approximately 11 units will be purchased and rehabilitated within the target areas.

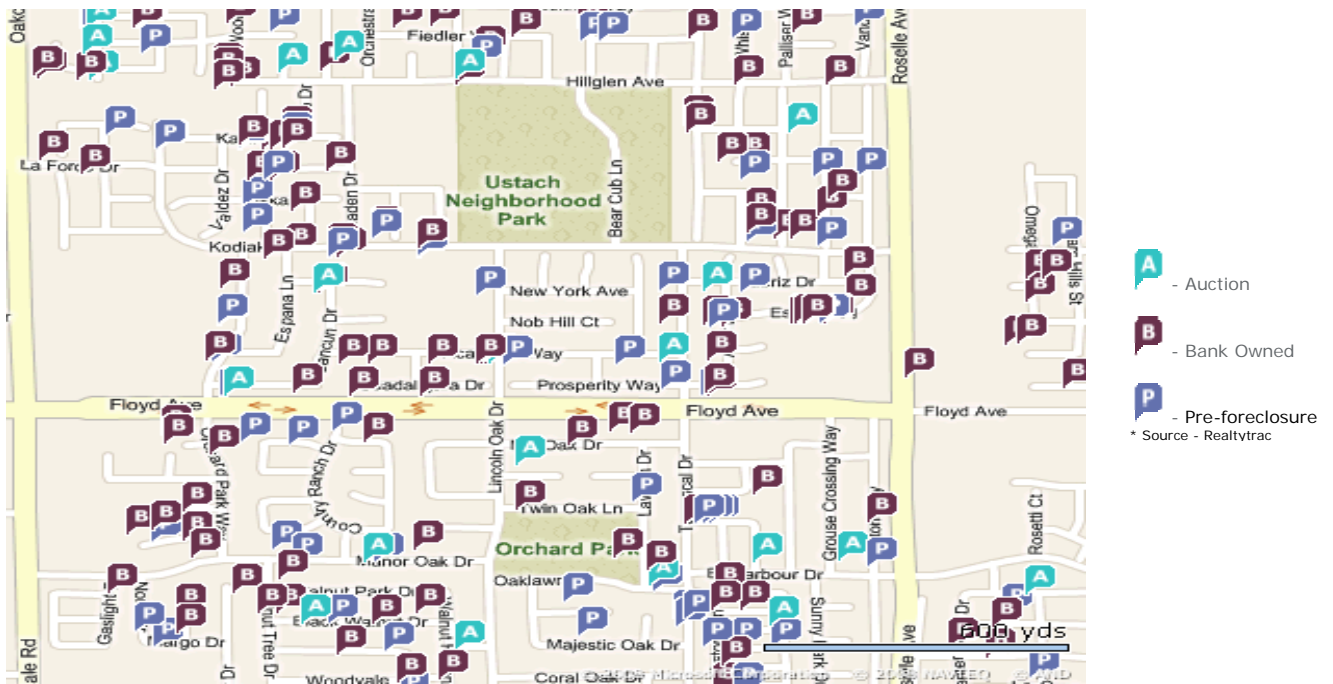
Scattered Area Foreclosure RFQ will provide loans to developers who are interested in purchasing and rehabilitating foreclosed or abandoned homes. The developers can be either non-profit or for-profit groups. Funding will be provided for feasible projects throughout the City of Modesto in areas with high concentration of foreclosures. Data collected from RealtyTrac and other sources show that there are areas within the City that are not low income census tract yet, however those areas also have a saturation of foreclosures. This program will be consistent with the policies and operation of HUD funded programs currently administered through the City's Housing Unit. This will

PROPOSED

result in immediate implementation as qualified staff and successful policies and practices are in place and ready to go. The program will not only provide funding it will also provide financial and technical assistance to repair homes including critical health and safety hazards, and to provide assistance for disabled persons in making their homes more accessible. The City's loan will contain affordability covenants that will require that the homes remain affordable and occupied by income eligible persons up to 120% of the area median income during the entire affordability period. If the units are acquired, rehabilitated for rental units, rents charged to participants can not be greater than Fair Market Rents.

The city estimates that approximately 10 units will be purchased and rehabilitated.

Village One Neighborhood



C. DEFINITIONS AND DESCRIPTIONS

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

Response:

Blighted Structure: areas and/or structures of a community which constitute either physical, social, or economic liabilities requiring redevelopment in the interest of the health, safety, and general welfare of the people of the community and the state.

(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.

PROPOSED

Response:

Affordable Rents: will be based on the guidelines utilized by the Housing Authority of the County of Stanislaus. The formula used in determining rent is the highest of the following, rounded to the nearest dollar:

- (1) 30 percent of the monthly adjusted income. (Monthly Adjusted Income is annual income less deductions allowed by the regulations);
- (2) 10 percent of monthly income;
- (3) welfare rent, if applicable; or
- (4) a \$25 minimum rent or higher amount (up to \$50) set by an HA.

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

Response:

To ensure the affordability of NSP assisted housing, the City of Modesto will require that any housing funded through the program be coupled with an affordability covenant. The Incentive Transfer Program will have a forty-year affordability covenant placed on any units purchased with NSP funding. The other programs will have a 10 year affordability covenant with a resale clause. City staff will monitor the programs and also screen income eligibility requirements to make sure that the residents being served are at or below 120% of the area median income.

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

Response:

The City of Modesto will utilize the Housing Quality Standards (HQS) coupled with ensuring that all local building inspection codes are met when rehabilitating a foreclosed or abandoned home. A sample HQS inspection form can be referenced on the HUD website at:

<http://www.hud.gov/offices/cpd/affordablehousing/library/forms/hqschecklist.pdf>

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: **\$2,025,000.**

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.

PROPOSED

Response:

The City will partner with the Housing Authority of the County of Stanislaus to implement the Incentive Transfer Program, which will provide the next step in becoming self-sufficient for residents that are at or below 50% of the area median income. As described above, this program will move successful residents that are in current Housing Authority Programs into scattered-site homes in order to promote upward mobility and eventually becoming independent and transition out of Housing Authority programs.

E. ACQUISITIONS & RELOCATION

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

If so, include:

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

Response:

The City of Modesto does not plan to directly acquire properties. The City will provide program funding to other agencies, organizations or individuals that have feasible plans to acquire and rehabilitate homes. The dwellings acquired with NSP funding will be vacant, and therefore, no relocation will apply. All guidelines will be followed to ensure compliance with the NSP program.

PROPOSED

F. PUBLIC COMMENT

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

Response:

The Central Baptist Church hand delivered a letter dated November 14 in response to the City of Modesto's draft Neighborhood Stabilization Program (summary, letter included as attachment)

The letter was on behalf of the Weed & Seed neighborhood and the PICO based Congregations Building Community. The group encourages the City of Modesto to use the NSP funding as matching funds for Proposition 1C money. The group also stated that they desire funding be provided to non-profit entities such as Habitat for Humanity to rebuild the area in order to stretch the money further. The statement was made that if homes are rented, that renters go through a screening process, and be given the possibility of purchasing the properties. The Congregations Building Community organization would also like to be an active partner in the selection of houses and families. The group also hopes that as funds are paid back, they will go back into the program to extend the life of the NSP in order to sustain the future.

The group is delighted that the City of Modesto and Stanislaus County are working together and that they are excited that funding is allocated directly to the Weed & Seed area. They feel this is a great opportunity for deserving families to get a hand up and bring development empowerment to the Modesto area.

PROPOSED

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

(1) Activity Name: **INCENTIVE TRANSFER PROGRAM**

(2) Activity Type: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to rent to those at or below 50% of area median income.

(3) National Objective: ≤ 50% of area median income.

(4) Projected Start Date: April, 2009

(5) Projected End Date: July, 2010

(6) Responsible Organization: Housing Authority of the County of Stanislaus, 1701 Robertson Road, Modesto, CA 95458 Attn: Bill Fagan, (209) 557-2000

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

(8) Activity Description:

The Incentive Transfer Program would assist successful participants at or below 50% of the area median income in current Housing Authority Programs along to the next step and into single family homes. This will not only reward those that are successful in the program and move them along to eventually becoming self sustainable, it will also open up existing housing for other's who are low income.

For housing related activities, include:

- This program will provide a 40 year affordability covenant on all properties purchased and rehabilitated with the NSP funding.

For acquisition activities, include:

- Discount rate of approximately 15%.

For financing activities, include:

- 0% interest rate amortized loan.

I. Total Budget: \$2,025,000 in NSP funding.

Leveraging from financial institutions through Foreclosure Portfolios and other related grant programs will be negotiated.

J. Performance Measures Approximately 10 units

PROPOSED

- (1) Activity Name: **DOWN PAYMENT ASSISTANCE PROGRAM**
- (2) Activity Type: Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.
- (3) National Objective: $\leq 120\%$ of area median income.
- (4) Projected Start Date: April, 2009
- (5) Projected End Date: July, 2010
- (6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)
- (7) Location Description: Various properties throughout the City of Modesto which are foreclosed residential properties.
- (8) Activity Description:
Provide gap financing in the form of Down Payment Assistance specifically for residents purchasing abandoned or foreclosed properties. As part of this program, new homeowners will be required to participate in Housing Counseling.

For housing related activities, include:

- A resale clause will be combined with the program to ensure that the unit remains available to income-eligible persons.

For acquisition activities, include:

- Discount rate of 15%.

For financing activities, include:

- Range of interest rates from 0% to 4% depending on the loan amount.

I. Total Budget: \$1,400,000

J. Performance Measures. Approximately 20 units

PROPOSED

(1) Activity Name: **AIRPORT NEIGHBORHOOD, WEED & SEED, AND TARGET FOCUS AREA PURCHASES AND REHABILITATION**

(2) Activity Type: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to rent to those at or below 50% of area median income; and/or demolish blighted structures.

(3) National Objective: $\leq 120\%$ of area median income.

(4) Projected Start Date: April, 2009

(5) Projected End Date: July, 2010

(6) Responsible Organization: The City of Modesto will oversee various contractors and developers that utilize NSP funding for the purchase and rehabilitation of foreclosed or abandoned properties.

(7) Location Description: Various properties throughout the City of Modesto which are specifically located in the Airport Neighborhood, the Weed & Seed area or other target areas which are foreclosed residential properties.

(8) Activity Description:

An RFQ will be issued to establish a list of qualified contractors and developers to provide loans for purchasing and rehabilitating foreclosed or abandoned homes. Funding will be provided for feasible projects within the Airport Neighborhood, the Weed & Seed area and other target areas in the City of Modesto. This program will be consistent with the City of Modesto current Rehabilitation Program.

For housing related activities, include:

- The City's loan will contain affordability covenants that will require that the homes remain affordable and occupied by income eligible persons up to 120% of the area median income during the entire affordability period. If the units are for sale resale covenants will be included in the loan agreement with each participant. If the units are acquired, rehabilitated for rental units, rents charged to participants can not be greater than Fair Market Rents.

For acquisition activities, include:

- Discount rate of 15%.

For financing activities, include:

- Range of interest rates from 0% to 3% depending on the loan amount.

I. Total Budget: \$2,000,000 in NSP funding

J. Performance Measures Approximately 11 units

PROPOSED

(1) Activity Name: **SCATTERED MODESTO AREA PURCHASES AND REHABILITATION**

(2) Activity Type: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to rent to those at or below 50% of area median income; and/or demolish blighted structures

(3) National Objective: $\leq 120\%$ of area median income.

(4) Projected Start Date: April, 2009

(5) Projected End Date: July, 2010

(6) Responsible Organization: The City of Modesto will oversee various contractors and developers that utilize NSP funding for the purchase and rehabilitation of foreclosed or abandoned properties.

(7) Location Description: Various foreclosed residential properties within the City of Modesto.

(8) Activity Description:

An RFQ will be issued to establish a list of qualified contractors and developers to provide loans for purchasing and rehabilitating foreclosed or abandoned homes. Funding will be provided for feasible projects within the City of Modesto. This program will be consistent with the City of Modesto current Rehabilitation Program.

For housing related activities, include:

- The City's loan will contain affordability covenants that will require that the homes remain affordable and occupied by income eligible persons up to 120% of the area median income during the entire affordability period. If the units are for sale resale covenants will be included in the loan agreement with each participant. If the units are acquired, rehabilitated for rental units, rents charged to participants can not be greater than Fair Market Rents.

For acquisition activities, include:

- Discount rate of 15%.

For financing activities, include:

- Range of interest rates from 0% to 3% depending on the loan amount.

I. Total Budget: \$2,000,000 in NSP funding

J. Performance Measures Approximately 10 units

PROPOSED

- (1) Activity Name: **ADMINISTRATION**
 - (2) Activity Type: CDBG: 24 CFR 570.209
 - (3) National Objective: Administration is categorically exempt from meeting a national objective
 - (4) Projected Start Date: Upon notification of executed contract
 - (5) Projected End Date: Continuation of projects with program income through July 2013.
 - (6) Responsible Organization: The City of Modesto, Parks, Recreation and Neighborhoods Department, 1010 Tenth Street, Suite 4300, Modesto, CA 95354, Attn: Barbara Kauss, (209) 577-5275, bkauss@modestogov.com
 - (8) Activity Description: Administration of NSP projects
- I. Total Budget: \$607,500
- J. Performance Measures: Not applicable for administration

PROPOSED

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

PROPOSED

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