

# **The City of Rockford**

## **Substantial Amendment to the 2008 Action Plan**

### **I. Neighborhood Stabilization Program (NSP) General Application**

Jurisdiction(s):	NSP Contact Person: Vicki Manson
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The City of Rockford proposes to amend the above Action Plan and Consolidated Plan for the purpose of fulfilling the application requirements to receive Neighborhood Stabilization Program (“NSP”) funds from the U.S. Department of Housing and Urban Development (“HUD”) authorized under Title III of the Housing and Economic Recovery Act of 2008 (“HERA”). HERA provides that these funds shall generally be treated as Community Development Block Grant (CDBG) funds. Making proper application to HUD by December 1, 2008, will result in the City of Rockford receiving an allocation of \$2,287,004 to be used for the purpose of demolishing blighted property and acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The City of Rockford also anticipates receiving program income from undertaking NSP activities, in an amount yet to be determined, which will be used for additional NSP activities as allowed under HERA. The City of Rockford may also enter into intergovernmental or sub recipient agreements if such collaboration would enhance the efforts of the City of Rockford within its areas of greatest need.

#### ***A. AREAS OF GREATEST NEED***

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

#### **Response:**

##### **Introduction**

The U.S. Department of Housing and Urban Development’s (HUD) new Neighborhood Stabilization Program (NSP) provides financial assistance to local governments “to purchase foreclosed or abandoned homes and to rehabilitate, resell or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes.” The following describes the methodology for choosing the City of

Rockford designated area and further describes the target area which was prepared by the University of Illinois College of Medicine Health Systems Research on October 17, 2008.

## **Methodology**

HUD provided housing, demographic and income data by census tract block group. Health Systems Research examined these data for the city of Rockford, identifying block groups that:

- 1) met income criteria (incomes do not exceed 120% of area median income),
- 2) possessed the highest current foreclosure risk score (10 on a ten-point scale), and
- 3) ranked within the top two quartiles for 18-month predicted foreclosure risk.

Based on these criteria, block groups were combined within their respective census tracts (in all cases except 23.02, all block groups within a census tract fell into the same categories). “Qualifying” census tracts were then placed into two priority groups, depending on whether they fell into the top or second highest quartile for 18-month predicted foreclosure risk.

The attached tables display the qualifying census tracts and present relevant data. Table 1 shows foreclosures, loan rates, mortgages, vacancies, number and percent of persons whose incomes are less than 120% of area median income (AMI) as collected by HUD’s Neighborhood Stabilization Program. Table 2 provides supplementary tract-specific information about households, minority population and housing characteristics from the U.S. Census that was gathered from the Federal Financial Institutions Examination Council.

Table 1

ROCKFORD CITY CENSUS TRACTS MEETING INCOME ELIGIBILITY AND HIGHEST FORECLOSURE RISK  
 FORECLOSURE, LOAN, MORTGAGE, VACANCY AND 120% AMI DATA  
 TOP TWO QUARTILES OF 18 MONTH PREDICTED FORECLOSURE RISK BY CENSUS TRACT

Tract	Foreclosure and Mortgage Information				Residential Vacancy Rate per USPS	<120% of Area Median Income (AMI)		
	Predicted 18 Month Foreclosure Rate	HMDA High Cost Loan Rate (2004- 2006)	Estimated Number Fore- closures	Estimated Number Mortgages		Number Persons <120% AMI	Total Persons	Percent Population <120% AMI
<b>Top Quartile of Predicted 18 Month Foreclosure Rate (Priority Area)</b>								
10.00	10.2%	52.5%	17	166	23.5%	2,910	3,211	90.6%
11.00	9.3%	47.4%	3	32	13.8%	1,359	1,463	92.9%
12.00	11.5%	61.0%	16	138	23.4%	2,679	2,977	90.0%
13.00	10.5%	54.5%	26	243	17.6%	2,376	2,754	86.3%
18.00	10.1%	51.9%	54	540	10.5%	4,156	4,999	83.1%
19.00	9.9%	50.9%	48	481	7.2%	3,002	3,623	82.9%
20.00	10.3%	53.6%	34	329	9.5%	2,308	2,721	84.8%
21.00	10.5%	54.4%	16	151	9.5%	1,841	2,247	81.9%
23.01	9.5%	48.6%	33	352	6.3%	1,567	1,852	84.6%
23.02	9.2%	46.2%	19	221	5.7%	45	45	100.0%
24.00	9.8%	50.5%	17	173	10.9%	1,211	1,357	89.2%
25.00	13.2%	71.1%	27	203	18.9%	3,590	3,969	90.5%
26.00	10.7%	55.8%	8	72	22.4%	2,684	3,265	82.2%
27.00	11.4%	60.0%	26	226	11.9%	3,076	3,571	86.1%
28.00	10.3%	53.0%	11	111	14.0%	1,751	1,905	91.9%
31.00	10.5%	54.7%	43	411	16.1%	3,856	4,540	84.9%
32.00	12.1%	64.2%	28	230	14.9%	3,294	3,823	86.2%
33.00	10.8%	56.4%	47	431	8.0%	3,091	3,788	81.6%
36.04	9.7%	49.4%	43	448	3.7%	2,121	2,986	71.0%
37.08	9.3%	47.1%	35	377	5.2%	1,873	2,643	70.9%
37.09	9.6%	49.2%	21	221	4.0%	1,372	1,829	75.0%
<i>21 tracts</i>			572	5,556		50,162	59,568	84.2%
<b>Second Highest Quartile of Predicted 18 Month Foreclosure Rate</b>								
8.00	8.5%	42.0%	27	315	10.9%	2,712	3,247	83.5%
14.00	8.7%	43.2%	52	606	9.5%	3,034	4,098	74.0%
22.00	8.9%	44.9%	45	212	6.4%	2,158	2,808	76.9%
34.00	8.4%	41.6%	65	773	5.8%	3,418	4,649	73.5%
36.02	8.4%	41.4%	35	429	5.5%	1,995	2,668	74.8%
36.06	8.4%	41.4%	35	418	6.6%	1,824	2,593	70.3%
<i>6 tracts</i>			259	2,753		15,141	20,063	75.5%
<b>27 tracts</b>			<b>831</b>	<b>8,309</b>		<b>65,303</b>	<b>79,631</b>	<b>82.0%</b>

Source: U.S. Department of Housing and Urban Development, Neighborhood Stabilization Program Data, Released 10/13/2008

Table 2  
**ROCKFORD CITY CENSUS TRACTS MEETING INCOME ELIGIBILITY, HIGHEST CURRENT FORECLOSURE RISK AND TOP TWO QUARTILES OF PREDICTED 18 MONTH FORECLOSURE RISK INCOME, MINORITY AND HOUSING DATA**

Tract	Total Residential Addresses	Households per 2000 Census	Income		Minority Population		Housing	
			2008 Est. Tract Median Family Income	Percent Below Poverty	Number	Percent	Median House Age (Yrs.)	Percent Owner-Occupied Housing Units
<b>Top Quartile of Predicted 18 Month Foreclosure Rate (Priority Area)</b>								
10.00	1,436	1,264	\$22,700	41.5%	1,910	59.7%	55	21.3%
11.00	922	869	\$27,473	37.7%	548	37.1%	57	2.3%
12.00	2,549	1,037	\$35,211	22.7%	1,387	49.6%	61	23.8%
13.00	1,145	1,136	\$37,262	18.2%	870	29.7%	61	31.6%
18.00	2,231	2,007	\$42,610	12.8%	1,586	31.7%	61	44.8%
19.00	1,587	1,429	\$40,426	10.1%	841	22.7%	44	73.0%
20.00	1,205	1,056	\$40,462	27.3%	507	18.6%	48	64.5%
21.00	793	787	\$32,404	24.7%	1,192	53.3%	46	50.2%
23.01	1,097	1,035	\$41,303	11.2%	1,286	44.8%	46	65.1%
23.02	629	595	\$49,180	10.8%	245	16.9%	46	78.2%
24.00	1,050	888	\$31,781	26.0%	2,127	79.7%	45	41.3%
25.00	1,318	1,183	\$25,368	39.1%	3,449	86.9%	54	43.0%
26.00	1,087	995	\$14,381	48.8%	2,533	77.6%	57	21.9%
27.00	1,199	1,146	\$35,798	19.6%	3,110	87.1%	54	50.1%
28.00	609	576	\$34,255	35.0%	1,714	89.2%	49	41.7%
31.00	1,975	1,829	\$38,315	28.5%	1,932	43.2%	61	36.2%
32.00	1,393	1,276	\$35,544	25.2%	2,986	78.1%	49	51.5%
33.00	1,580	1,441	\$47,626	12.2%	1,332	35.2%	47	63.0%
36.04	1,384	1,299	\$51,479	8.4%	674	22.5%	38	68.8%
37.08	1,319	1,135	\$58,292	7.2%	747	25.6%	22	49.1%
37.09	702	687	\$55,684	10.8%	556	30.6%	31	49.6%
<i>Total</i>	27,210	23,670			31,532	52.9%		45.6%
<b>Second Highest Quartile of Predicted 18 Month Foreclosure Rate</b>								
8.00	1,598	1,485	\$44,316	17.3%	819	25.2%	58	48.3%
14.00	1,853	1,739	\$55,291	8.7%	687	16.8%	61	59.6%
22.00	1,443	1,411	\$44,831	20.8%	2,607	61.6%	42	75.0%
34.00	1,922	1,816	\$51,068	7.9%	915	19.6%	53	79.3%
36.02	1,719	1,543	\$47,299	18.7%	888	23.6%	37	51.0%
36.06	1,165	1,112	\$46,972	13.9%	565	21.3%	41	65.9%
<i>Total</i>	9,700	9,106			6,481	32.3%		61.4%
<b>TOTAL</b>	<b>36,910</b>	<b>32,776</b>			<b>38,013</b>	<b>47.7%</b>		<b>49.8%</b>

Source: Federal Financial Institutions Examination Council, 2008 FFIEC Census Report-Summary Census Housing Information & Summary Census Income Information

***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.

**Response:**

**Neighborhood Stabilization Target Area**

The target area for the City of Rockford is composed of 27 census tracts with 21 in the priority area. Total target area population is 79,631 or approximately half of the City, primarily the west, central, and near southeast portions of the community. These areas have been identified as areas of need in assessments by planning and consulting organizations.

The target area is typified by a high minority level in that about half of the population is minority. Tracts average 21% poverty, 24% within the priority area. Eight tracts exhibit median family incomes below \$3,000.

Once the data was received from Health Systems Research it was mapped, first by the 120% of median criteria, and then by the other need factors provided by the Department of Housing and Urban Development. We also analyzed rental and owner occupancy, police statistics for Part A and Part B crimes, and layered Rockford’s General Disorder Density onto the base 120% of AMI map. These maps can be found at Attachments A-H.

The priority area was rather large covering over 75% and of the census tracks in Rockford and half the population. Since grantees are to give priority emphasis and consideration to those areas with the greatest need, we honed in on the priority areas and selected census tracts within the priority area demonstrating all of needs criteria i.e. the highest vacancy rates, foreclosure rates, rate of subprime mortgages, while being amongst the highest ranked for future foreclosures. See maps at Attachments A-E. The final census tracts selected as our geographic boundary include Census Tract 10, 12, 13, 25, 26, 28, 31 and 32. These tracks are depicted on the map at Attachment F.

***C. DEFINITIONS AND DESCRIPTIONS***

**Definition of “blighted structure” in context of state or local law.**

**Response:**

The City of Rockford will be applying the Housing and Economic Recovery Act's definition of *blighted structure* being a structure that "exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and the public welfare". This definition is consistent with the definition provided by the International Property Maintenance Code that the City has adopted and follows:

**Section 108: Unsafe Structures and Equipment**

**108.1 General.** When a structure or equipment is found by the code official to be unsafe, or when a structure is found unfit for human occupancy, or is found unlawful, such structure shall be condemned pursuant to the provision of this code.

**108.2.2 Unsafe structures.** An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe or of such faulty construction or unstable foundation, that partial or complete collapse is possible.

**108.1.2 Unsafe equipment.** Unsafe equipment includes any boiler, heating equipment, elevator, moving stairway, electrical wiring or device, flammable liquid containers or other equipment on the premises or within the structure which is in such disrepair or condition that such equipment is a hazard to life, health, property or safety of the public or occupants of the premises or structure.

**108.1.3 Structure unfit for human occupancy.** A structure is unfit for human occupancy whenever the code official finds that such structure is unsafe, unlawful or, because of the degree to which the structure is in disrepair or lacks maintenance, is insanitary, vermin or rat infested, contains filth and contamination, or lacks ventilation, illumination, sanitary or heating facilities or other essential equipment required by this code, or because the location of the structure constitutes a hazard to the occupant of the structure or to the public.

**108.1.4 Unlawful structure.** An unlawful structure is one found in whole or in part to be occupied by more persons than permitted under this code, or was erected, altered or occupied contrary to law.

**Section 110 Demolition**

**110.1 General.** The code official shall order the owner of any premises upon which is located any structure, which in the code official's judgment is so old, dilapidated or has become so out of repair as to be dangerous, unsafe, insanitary or otherwise unfit for human habitation or occupancy, and such that it is unreasonable to repair the structure, to demolish and remove such structure; or if such structure is capable of being made safe by

repairs, to repair and make safe and sanitary or to demolish and remove at the owner's option; or where there has been a cessation of normal construction of any structure for a period of more than two years, to demolish and remove such structure.

**Definition of “affordable rents.”**

**Response:**

The City of Rockford will adopt the *Rent Limitation* HUD provides at 92.252 (a) in that the maximum NSP rents are the lesser of:

- (1) The Section 8 Fair Market Rents (FMRs) for existing housing; or
- (2) 30% of the adjusted income of a family whose annual income equals 65% of median income, as published by HUD.

The FMRs include all utilities (excluding telephone). This means that if the tenant pays utilities, the maximum allowable NSP rents must be reduced accordingly.

**Fair Market Rent Limits** (effective 10/1/07 and subject to annual adjustments)

Efficiency	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm	5-Bdrm	6-Bdrm
\$466	\$525	\$666	\$871	\$897	\$1032	1166

**Describe how the grantee will ensure continued affordability for NSP assisted housing.**

**Response:**

Rockford shall ensure, to the maximum extent practicable and feasible, that the sale, rental or redevelopment of abandoned and foreclosed upon homes and residential properties will remain affordable to individuals or families whose incomes do not exceed 120% of AMI and remain affordable to individuals and families whose incomes do not exceed 50% of AMI.

**NSP Qualification as Affordable Housing: Homeownership.** The City will adopt the HOME program standards at 24 CFR 92.254 and will apply the recapture requirements. In summary, this includes:

- Any property that will serve as the purchaser's principal residence is eligible, including a single-family residence, a 2- to 4-unit property, a condominium, or a co-operative or mutual housing unit, or a manufactured home. When buyers purchase a 2- to 4-unit structure, HOME rental rules apply to any rental units that are assisted with NSP funds.
- The value of any NSP-assisted homebuyer property must not exceed 95 percent of the median purchase price for that type of single-family housing for the area, as published by HUD (Single Family Mortgage Limits under Section 203(b) of the

National Housing Act). In the case of acquisition with rehabilitation, the housing has an estimated value after rehabilitation that does not exceed 95 percent of the median purchase price for the area.

**203(b) Mortgage Limits:** (current as of 4/10/08 and subject to adjustments)

1-Family	2-Family	3-Family	4-Family
\$200,160	\$246,248	\$309,744	\$384,936

- All the funds made available under this section are to be used with respect to homebuyers whose income does not exceed 120% of area median income.
- The NSP-assisted housing must meet the affordability requirements for not less than the applicable period specified on the following table, beginning after project completion.

Homeownership Assistance	Minimum period of affordability in years
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

- To ensure affordability, recapture provisions will be imposed to recoup all or a portion of the NSP assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the term of affordability noted above.

Also, first mortgage loans financing mechanisms will be made available at a 20-30 year fixed rate. NSP will provide soft-second mortgages for the term of affordability.

**NSP Qualification as Affordable Housing: Rental Housing.** The City will adopt the HOME program standards at 24 CFR 92.252(a), (c), (e) and (f). In summary:

(a) *Rent Limitation* HUD provides at 92.252 (a) in that the maximum NSP rents are the lesser of:

- (1) The Section 8 Fair Market Rents (FMRs) for existing housing; or
- (2) 30% of the adjusted income of a family whose annual income equals 65% of median income, as published by HUD.

(c) The FMR include all utilities. If the tenant pays utilities, the maximum allowable NSP rents must be reduced accordingly. Utility allowances to be used when adjusting rents are prepared by the local public housing agency.

(e) Required periods of affordability include:

Rehabilitation or acquisition of existing structures with NSP investment per unit of:	Period of Affordability
Less than \$15,000	5 years

\$15,000 - \$40,000	10 years
\$40,000 or more	15 years
<b>Refinance of Rehabilitation project:</b>	
Any amount	15 years
<b>New construction, including acquisition of new units:</b>	
Any amount	20 years

(f) The maximum NSP rents are recalculated on an annual basis after HUD determines fair market rents and median incomes. This information will be provided to project owners so that rents may be adjusted. Regardless of changes in fair market rents and in median income over time, the NSP rents for the project are not required to be lower than the NSP rent limits for the project in effect at the time of project commitment.

Owners must annually provide the City with information on rents and occupancy of HOME-assisted units to demonstrate compliance.

Any increase in rents for NSP-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before increasing rents.

Also, the City of Rockford will review all requests for refinancing to ensure continued affordability and that rents will remain within the NSP standards.

**Describe housing rehabilitation standards that will apply to NSP assisted activities.**

**Response:**

Housing that is constructed or rehabilitated with NSP must meet all applicable, city ordinances, zoning ordinances, rehabilitation standards, development ordinances at the time of project completion. Newly constructed housing must also meet the current edition of the Model Energy Code published by the Council of American Building Officials.

A work-item-list will be developed for all housing assisted with rehabilitation assistance in which rehabilitation standards are incorporated. These standards require that all building purchased for rehabilitation be brought up to local code, that building permits be obtained and that appropriate inspections be performed.

Green building and energy efficiency improvement will be utilized to the greatest extent feasible.

***D. LOW INCOME TARGETING***

Identify the estimated percentage of funds appropriated or otherwise made available under this section 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.

**Response:**

The estimated percentage of funds to be appropriated or otherwise made available to persons at or below 50% of AMI will be 25% of the City of Rockford's allocation. These funds will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for the provision of housing for these individuals or families. This represents \$571,751.00.

**E. ACQUISITIONS AND 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:

- (a) Number of low-and moderate-income dwelling units reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- (b) The number of NSP affordable housing units that will be made available.
- (a) 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 Rockford intends to demolish or convert low- and moderate-income dwelling units. Approximately 78 units will be demolished or converted. Ten (10) units will be created under the NSP Urban Homesteading Program for individuals or households at 50% or less of AMI between January, 2009, and July, 2010. Ten (10) units will be created under the NSP Urban Homesteading Program for individuals or households at 120% or less AMI between January, 2009, and July, 2010. Also, the units will be created for rental housing for persons at or below 50% of AMI with the number to be determined and financing will be provided for purchase and rehabilitation through NSP Financing Mechanisms during the same timeframe which may serve persons at or below 50% of AMI.

**F. PUBLIC COMMENT**

The following is a summary of public comments received to the proposed NSP Substantial Amendment.

Two comments were received. One comment was received from Kerry Knodle, the Executive Director of Comprehensive Community Solutions, Inc. (CCS). Mr. Knodle proposes collaboration between CCS and the City of Rockford to address issues relating to the foreclosure crisis. He believes their organization has the capacity and a construction line of credit that would enable them to readily respond to undertake construction activities and manage the process of acquisition and rehabilitation.

In response, the City of Rockford intends to partner with lenders, Realtors, and non-profit and for-profits in order to utilize the funds in a manner that is not only timely but has an impact on the areas of greatest need. Comprehensive Community Services, Inc. will be considered a potential partner.

The second comment was from the Executive Director of the Rockford Area Affordable Housing Coalition – Bob Campbell. Mr. Campbell suggests an innovative approach to buying and then selling through the selling of tickets and the “lottery” of homes. The lottery winner would be responsible for bringing the home up to City standards. He suggests that this will “generate interest” and be a positive and creative use of the funds while also creating program income for additional projects.

Mr. Campbell’s suggestion is similar in many ways to what has been suggested through Activity #2 and #3 below which resurrects the basic structure of the former Urban Homesteading Program. Mr. Campbell will be encouraged to participate in the further development of these activities. The organization itself is expected to play an integral role in the administration of counseling services which will be made available to the program participants.

#### ***G. NSP INFORMATION BY ACTIVITY***

The City of Rockford proposes to use the NSP funds as demonstrated in the activities that follow. However, the City reserves the right to shift funding from one activity to another and from one agency to another, as additional opportunities are provided including the availability of suitable properties, agency capacity, project readiness, and the ability to meet the timeliness requirements of the NSP. This potential shifting of funds from one activity to another will not be considered a Substantial Amendment to the 2008 Action Plan. Without exception, a minimum of 25% of NSP funds will be used for housing individuals and families whose incomes do not exceed 50% of the AMI. The following defines abbreviations noted throughout the activities:

- **AMI:** Area Median Income
- **LMMI:** Low-, moderate- and middle income persons.
- **LMMA:** Serves an area in which at least 51% of the residents have incomes at or below 120% of area median income.
- **LMMC:** Serves a limited clientele whose incomes are at or below 120% of area median income.
- **LMMH:** Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income.

- **LMMJ:** Creates or retains jobs for persons whose household incomes are at or below 120% of median income.

## **II. NSP Specific Activity Information**

### **Activity #1**

A. Activity Name: NSP Demolition and Redevelopment Program

B. Activity Type: Demolition of blighted structures and redevelopment.

NSP Eligible Use: Section 2301(c)(3) NSP (D) Demolition of blighted structures only and NSP (E) Redevelop demolished or vacant property. This may include the moving of structures to other sites with redevelopment to follow.

CDBG Eligible Activity: CDBG 24 CFR 570.201(a) Acquisition, 570.201(b) Disposition, 570.201(c) Public Facilities and Improvements, 570.201(d) Clearance, 570.201(m) Construction of Housing, as amended by NSP, 570.201(n) Direct Homeownership Assistance, 570.202 Eligible rehabilitation and preservation activities with required housing counseling for those seeking participation in the NSP activity, and 570.203 Special Economic Development Activities.

C. National Objective: Activities benefiting low-, moderate, and middle-income persons - LMMA, LMMC, LMMH and LMMJ – 24 CFR 570.208(a)(1), (2), (3), (4)

D. Projected Start Date: January 15, 2009

E. Projected End Date: July 15, 2010

F. Responsible Organization: City of Rockford, 425 East State Street, Rockford, IL 61102. Other partners for redevelopment activities are yet to be determined.

G. Location Description:

Properties will be located within Census Tracts 10, 12, 13, 25, 26, 28 31, and 32.

H. Activity Description:

According to a Housing Study conducted by Western Economic Services for the City of Rockford and completed February 24, 2004, from the 1990 Census to the 2000 Census, housing production in Rockford increased significantly. Occupied housing units rose more slowly than total housing production, thereby causing vacancy rates to increase. Vacancy rates in three quadrants of the city were relatively high, 8.5, 9.6, and 8.6 percent in the Northwest, Southeast, and Southwest, respectively. This was before the housing crisis. Single family housing production has slowed considerably; vacancy rates continue to be high. Some believe due to the struggling economy families are doubling up or leaving the Rockford area due to the rising jobless rate which in August reached 10.9% for the city of Rockford.

The housing boom lifted homeownership to historic levels and apartment owners suffered. They lost their best tenants in the home-buyer frenzy leaving scores of units either unfilled or tented to those with unstable payment histories. One would think the foreclosure crisis would increase the need for rental units and decrease the vacancy rates. That does not seem to be the case except with the high-end units. The lower-rent areas remain largely unchanged. The lack of qualified renters means that units remain vacant, owners fail to maintain their property, or owners offer incentives to encourage occupancy.

Housing prices in 2004 were not appreciating well and Rockford continues to be one of the most affordable city in the country due to this lack of appreciation. While values had been rising for several years prior to the Housing Study and reached an average price of \$97,267 in 2002, analysis of the Rockford Township Assessor data indicates that sales prices, in real 2002 dollars, were highest in 1991, when they reached an average of \$101,089. Recent economic events suggest that housing prices will continue to be soft in Rockford.

At the same time that vacancy rates were rising, vacant housing that was neither for-sale or for rent jumped 18.4 percent, rising to 1,212 units in 2000, about 2 percent of the City's housing stock. This is a rate faster than the overall expansion of the housing stock, and occurred during the time that the City demolished 925 housing units. These particular vacant housing units were in the Southwest, the Northwest, and Southeast quadrants of the City, with the Southwest having 5% of its stock vacant and not for sale or for rent. Additionally, the Rockford Township Assessor classified 1,978 housing units as approaching unsoundness, undesirable, and barely useful, of which 786 were units in buildings with 2-6 dwelling units. These statistics did not include Public Housing Authority multifamily buildings. A housing conditions survey completed in November of 2008 indicates that in the eight census tracts of greatest need there are 61 structures open and vacant, 183 properties boarded and vacant, and 440 properties that are vacant.

This is an opportunity for the city of Rockford to face this problem and renew efforts to eliminate blighted housing that are vacant, open, a public safety hazard, vandalized, and subject to illegal occupants as well as activities. They are a danger to a neighborhood of occupied and maintained homes and neighborhoods with schools.

There are two approaches to resolving this dilemma: rehabilitation or demolition of the existing stock. Given the surplus of housing, low prices, and the cost of rehabilitation exceeding market values, demolition will be a priority through NSP funds. In 2004 when the study was completed, it was suggested that a reasonable goal would reduce the blighted stock of housing by 1,000 units in five years, both apartments and single-family dwellings. Due to the lack of resources, reaching this goal has been impossible. By focusing NSP funds to the census tracts in greatest need, the stabilization of the neighborhoods can be jump started creating the momentum needed to begin rehabbing the neglected housing stock. The redevelopment may be on the vacant lots resulting from the NSP clearance activity or may be other vacant parcels.

Also, consecutive flood events in 2006 and 2007 have damaged homes in the Keith Creek area. The Rockford Local Development Corporation has acquired properties in behalf of the City in the floodway to mitigate future damage and improve flood control facilities. Of the 128 parcels, 50 homes were substantially damaged. Some of the homes are outside of the NSP eligible census tracts. Of those within the NSP target area, the City may move several of the homes to suitable vacant lots to redevelop and sell as part of the NSP as well as demolish the substandard homes. The remaining land will be used for flood mitigation purposes and park space.

The beneficiaries of the clearance activity will be the residents of the LMMI area. The beneficiaries of any activity that may follow will be the individuals and families that receive the direct benefit. Program participants will be at or below 120% AMI – which may or may not include households at or below 50% of AMI.

Any demolished or vacant housing that is redeveloped, the financing structure will ensure continued affordability. See Activity #2 – Urban Homesteading (50% or less of AMI), #3 – Urban Homesteading (120% or less of AMI), #6 – NSP Rental Program and #8 – NSP Financing Mechanisms for Purchase and Redevelopment.

Funds may be used to provide housing for persons whose incomes do not exceed 50% of area median. See Activity #2 – Urban Homesteading (50% AMI or less) and #6 – NSP Rental program that follow.

#### I. Budget:

\$855,000 NSP. Additional funds will be provided by local lenders for the first mortgage and NSP if the City of Rockford (or Rockford Local Development Corporation) moves, acquires, and redevelops property and sells. Amounts to be determined as the program is further defined. Demolition cost is expected to be under \$25,000 per structure with an average cost of \$10,000.

#### J. Performance Measures:

78 housing units will be demolished. Eligible demolished or vacant property may be redeveloped.

## **II. NSP Specific Activity Information**

### **Activity #2**

A. Activity Name: Urban Homesteading (50% of AMI or less)

B. Activity Type: NSP Homebuyer Program

NSP Eligible Use: Section 2301(c)(3) NSP (B) Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, or redevelop.

CDBG eligible activity: 24 CFR 570.201(a) Acquisition, 570.201(b) Disposition, 570.201(n) Direct Homeownership Assistance, 570.202 Rehabilitation and preservation activities with required homebuyer counseling for those seeking participation in the eligible NSP activity.

C. National Objective: CFR 570.208(a)(3) LMMH - Housing benefitting low-, moderate- and middle-income persons at or below 50% AMI will be the primary national objective. Also, 24CFR 570.208(a)(2) Limited clientele activity benefitting low and moderate income person at or below 50% AMI may apply.

D. Projected Start Date: January 15, 2009

E. Projected End Date: July 15, 2010

F. Responsible Organization: City of Rockford, 425 East State Street, Rockford, Illinois 61104. The City will forge partnerships with other agencies, nonprofit organizations, and private businesses to leverage support and resources, including public housing, lenders, Realtors.

G. Location Description: Census tracts 10, 12, 13, 25, 26, 28, 31 and 32 i.e. areas determined to be of greatest need.

H. Activity Description:

This activity will address neighborhood stabilization in one or more of the census tracts noted above through the purchase, rehab of abandoned or foreclosed housing. The specific addresses within the census tracts will be identified at the time the NSP funds are available for drawdown. Purchase of specific foreclosed properties will be dependent on the availability of foreclosed, moderately priced properties but priority will be given to locations near schools. Funds for this activity will be used to meet the 50% AMI housing requirement. The tenure of the beneficiaries will be homeownership. The homes will remain affordability for the term of affordability which will be ensured by recorded agreements. A portion of the assistance is expected from conventional/FHA first mortgage financing offered at terms from 20-30 years. The gap subsidy (or developer's subsidy) will be provided through NSP as well as the amount necessary to ensure affordability provided directly to the homebuyer. The NSP soft second mortgage will be

forgiven over the term of affordability. The interest rate to the homebuyer will be consistent with the conventional/FHA rates. A minimum of 8-hours of homebuyer training will be required through one of the three HUD-approved housing counseling agencies in Rockford prior to the homebuyer obtaining a mortgage loan. All properties acquired will be at a discounted rate of a minimum of 5%. But, the City will make every attempt possible to acquire all properties at a 15% discount to ensure compliance on an on-going basis.

The structure of the long-term financing in conjunction with the location of the sites will ensure continued affordability.

NSP funds will provide housing for persons of 50% AMI. 25% of the NSP allocation is anticipated to be used for this activity.

I. Budget: The budget for this activity will include NSP at 25% or \$571,751 and conventional financing in the amount of approximately \$300,000. Additional funds to supplement this activity may be utilized from the HOME Investments Partnership program, funding through the State of Illinois, and the American Dream Downpayment Initiative (ADDI) program. There may be an opportunity to also utilize HOPE 6 program income funds and/or other public housing assistance, Tax Increment financing funds as well as funds from other private and public investments yet to be determined. Homebuyers will be required to provide a minimum investment.

J. Performance Measures:

10 housing units for individuals and families at or below 50% of AMI.

## **II. NSP Specific Activity Information**

### **Activity #3**

**A. Activity Name:** Urban Homesteading (120% of AMI or less)

**B. Activity Type:** NSP Homebuyer Program

NSP Eligible Use: Section 2301(c)(3) NSP (B) Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, or redevelop.

CDBG Eligible Activity: 24 CFR 570.201 (a) Acquisition, 24 CFR 570.201 (b) Disposition, 24 CFR 570.201 (n) Direct Homeownership Assistance, 570.202 Rehabilitation and preservation activities with homebuyer counseling for those that take part in the activity.

**C. National Objective:** CFR 570.208(a)(3) LMMH - Housing benefitting low-, moderate- and middle-income persons.

**D. Projected Start Date:** January 15, 2009

**E. Projected End Date:** July 15, 2010

**F. Responsible Organization:** City of Rockford, 425 East State Street, Rockford, Illinois 61104. Other partners including public housing, private for-profits, non-profits, lenders, and public institutions are yet to be determined.

**G. Location Description:** Census tracts 10, 12, 13, 25, 26, 28, 31 and 32 i.e. areas determined to be of greatest need.

**H. Activity Description:**

This activity will address neighborhood stabilization in one or more of the census tracts noted above through the purchase, rehab of abandoned or foreclosed housing. The specific addresses within the census tracts will be identified at the time the NSP funds are available for drawdown. Purchase of specific foreclosed properties will be dependent on the availability of foreclosed, moderately priced properties but priority will be given to locations near schools. Funds for this activity will be used to assist households at or below 120% AMI as allowed by the NSP. The tenure of the beneficiaries will be homeownership. The homes will remain affordability for the term of affordability which will be ensured by recorded agreements. A portion of the assistance is expected from conventional financing. The gap subsidy (or developer's subsidy) will be provided through NSP as well as the amount necessary to ensure affordability provided directly to the homebuyer. First mortgages will be offered at 20 and 30 years. The NSP soft second mortgage will be forgiven over the term of affordability. The interest rate to the homebuyer will be at the current rate of conventional financing. A minimum of 8-hours of homebuyer training will be required through one of the two HUD-approved housing

counseling agencies in Rockford prior to the homebuyer obtaining a mortgage loan. All properties acquired will be at a discounted rate of a minimum of 5%. But, the City will make every attempt possible to acquire all properties at a 15% discount to ensure compliance on an on-going basis.

For housing activities, the design of the activity will ensure continued affordability. Loans will be made available at a fixed rate with terms that lend to continued affordability. The projects will be monitored and direct homebuyer's assistance will follow HOME program method of recapture.

Funds will not be used to provide housing for persons whose incomes do not exceed 50% of area median.

I. Budget: The budget for this activity will include NSP at \$300,000 and conventional financing in the amount of approximately \$600,000. If additional funds are needed, HOME Investments Partnership program, Community Development Block Grant or the American Dream Downpayment Initiative (ADDI) program and/or State funds may be utilized for those households at or below 80%. There may be an opportunity to also utilize Tax Increment financing funds through Rockford's Tax Incentive Program (TIP) as well as funds from other private and public investments yet to be determined. Homebuyers will be required to provide a minimum investment.

J. Performance Measures:

10 housing units for households at or below 120% of AMI.

## **II. NSP Specific Activity Information**

### **Activity #4**

A. Activity Name: NSP Planning and Administration

B. Activity Type: Planning and Administration

NSP Eligible Use: Section 2301(c)(3) NSP allows 10% of initial allocation and 10% of program income to be used for general administration and planning activities. (Federal Register, Vol 73, No. 194 Part III, II. H.)

CDBG Eligible Activity: 24 CFR 570.205 Planning and 24 CFR 570.206 Administration

C. National Objective:

To administer activities benefiting low- and moderate-income persons under LMMA, LMMC, LMMH, and LMMJ at 24 CFR 570.208(a) (1), (2), (3) and (4).

D. Projected Start Date: September 29, 2008

E. Projected End Date: July 15, 2010, however, monitoring projects and receipt of program income through recapture will continue indefinitely.

F. Responsible Organization: City of Rockford, 425 East State Street, Rockford, Illinois 61104

G. Location Description:

Census tracts 10, 12, 13, 25, 26, 28, 31 and 32 i.e. areas determined to be of greatest need.

H. Activity Description: This activity will provide the general administration and planning activities required to receive NSP funding and implement successful NSP activities, as described.

I. Budget:

\$228,700 public NSP funds over the term of the program, beginning with pre-award activities. Should this activity not require the allowed amount of administration funds, these funds may re-allocated to any of the other activities described with such reallocation not constituting a Substantial Amendment to the Action Plan. The City reserves the right to subcontract with partner agencies to complete this activity.

J. Performance Measures:

The NSP allocation plus program income will be used for general administration and planning costs to complete the activities eligible under the Neighborhood Stabilization Program and CDBG-eligible activities while meeting a CDBG national objective. Activities will be obligated and expended in timely and effective manner.

## **II. NSP Specific Activity Information**

### **Activity #5**

A. Activity Name: Homebuyer Counseling

B. Activity Type:

NSP Eligible Use: Section 2301(c)(3) NSP (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, or redevelop with counseling included for those seeking to take part in the activity.

CDBG: 24 CFR 570.201(e) Public services for housing counseling

C. National Objective: 24 CFR 570.208(a)(2) Limited Clientele Activity benefiting low-, moderate-, and middle- income households (up to 120% of AMI permitted under NSP).

D. Projected Start Date: January 15, 2009

E. Projected End Date: July 15, 2010

F. Responsible Organization: Agencies located in Rockford include CCCS of Greater Chicago, 129 Phelps Avenue, Ste. 811, Rockford Illinois, (815) 888-527-3328, Brian Coyle, Family Credit Counseling Service, 4306 Charles Street, Rockford, Illinois, (800) 994-3328-128, Michael, McCauliffe, Heidi Berardi or Elizabeth Schomburg and the Rockford Area Affordable Housing Coalition, 205 N. Church Street, Rockford, Illinois, (815) 962-2011, Bob Campbell, Executive Director. The City of Rockford has past experience and an existing agreement with the Rockford Area Affordable Housing Coalition.

G. Location Description:

Properties will be located within Census Tracts 10, 12, 13, 25, 26, 28 31, and 32. Actual addresses are to be determined.

H. Activity Description:

This activity will provide the homebuyer counseling required under the NSP. Counseling services will included 8 hours of homebuyer counseling, plus an orientation, from a HUD approved counseling agency. If needed, it will provide individual financial literacy assistance as well as individual case management and follow-up. The expected benefit will be to improve the understanding of the various aspects of homeownership including financial, maintenance, and being a good-neighbor. These skills will help enhance and stabilize neighborhoods through the purchase and rehabilitation of homes. The tenure of the beneficiaries is homeownership. The duration or term of assistance will be consistent with the HOME regulations at 92.254.

I. Budget: NSP \$15,000

J. Performance Measures:

A minimum of 8 hours of homebuyer counseling services to all home purchasers under NSP – 20+ households will benefit from this activity.

## **II. NSP Specific Activity Information**

### **Activity #6**

A. Activity Name: NSP Rental Program

B. Activity Type:

NSP Eligible Use: Section 2301(c)(3) NSP(B) Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties and (E) Redevelop demolished or vacant property.

CDBG: 24 CFR 570.201(a) Acquisition, 570.201(b) Disposition, 570.202 Rehabilitation and preservation activities for homes and other residential property and/or 570.201(m) the new construction of housing, as amended by NSP.

C. National Objective: CFR 570.208(a)(3) LMMH - Housing benefitting low-, moderate- and middle-income persons.

D. Projected Start Date: January 15, 2009

E. Projected End Date: July 15, 2010

F. Responsible Organization: City of Rockford, 425 East State Street, Rockford, Illinois 61104, with additional partners to be determined. Possible partners include public housing, lending institutions, and for-profit developers and non-profit housing developers.

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

Properties will be located within Census Tracts 10, 12, 13, 25, 26, 28 31, and 32.

H. Activity Description:

The expected benefit will be to improve and stabilize neighborhoods through the purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop. It may also include the new construction of housing. The tenure of the beneficiaries will be affordable rental housing. The duration or term of assistance will be consistent with the HOME regulations at 24 CFR 92.252 (a), (c), (e) and (f). Purchases will be at the discounted rate of 15% in the aggregate with a minimum of 5% per individual purchase transaction. To avoid potential non-compliance, the City's intent is to buy all property at a 15% discount. Interest rates will be established that are consistent with the conventional/FHA market.

Since it is most likely that Tax Credits will be involved in any proposed project, the long-term affordability of the tax credit in conjunction with the HOME requirements will

ensure continued affordability. Also, projects will be monitored annually in the same manner as HOME. Any change in ownership will only be allowable with the approval of the City and assumptions of the HOME conditions.

The cost to acquire and rehabilitate homes is expected to exceed the after rehabilitation of the home due to Rockford's weak market. The property sold under the NSP program will be sold at FMV. The City may also provide a soft-second mortgage on each property to ensure continued affordability. The term of the soft-second will be consistent with the HOME regulations as previously noted.

Funds will be used to provide housing for persons whose incomes do not exceed 50% of area median. The estimated percentage of funds used for this purpose will be 40%-100% of the final budgeted amount.

The estimated amount of funds to be used to provide housing for persons whose income do not exceed 50% of the AMI may be as high as \$571,751.00, which is just over 25% of our 2008 allocation.

I. Budget:

To be determined.

J. Performance Measures:

To be determined.

## **II. NSP Specific Activity Information**

### **Activity #7**

A. Activity Name: NSP Land Bank

B. Activity Type:

NSP Eligible Use: Section 2301(c)(3) NSP (C) – Establish a land bank for homes that have been foreclosed upon or vacant lots resulting from clearance activity.

CDBG Eligible Activity: 24 CFR 570.201(a) Acquisition and 24CFR 570.201(b) Disposition of property

C. National Objective:

Activities benefiting low-, moderate, and middle income persons including LMMH - Housing, LMMA, LMMC and/or LMMJ – 24 CFR 570.208(a)(1), (2), (3) and (4)

D. Projected Start Date: January 15, 2009

E. Projected End Date: July 15, 2010

F. Responsible Organization: City of Rockford at 425 East State Street, Rockford, Illinois, 61104 with contacts being Vicki Manson, Mark Rose, and Ginny Gregory. Additional organizations with demonstrated capacity to carry out this activity, such as the Rockford Homestead Board, may be added at the discretion of the City of Rockford and such additions shall not be considered a Substantial Change Amendment of the Action Plan.

G. Location Description:

Properties will be located within Census Tracts 10, 12, 13, 25, 26, 28 31, and 32.

H. Activity Description: This activity will allow for the establishment of land banks for homes by a governmental or nonprofit entity established to temporally manage, and dispose of vacant homes for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. It will purchase properties in the census tracts noted above for the NSP that have been abandoned or foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties. It may also maintain abandoned or foreclosed property that it does not own, but the owner of the property will be charged the full cost of the service or a lien will be placed on the property for the service.

Properties acquired for land-banking purposes will be disposed of via Activity #2 – Urban Homesteading (50% or less of AMI), #3 - Urban Homesteading (120% or less of AMI), #6 – NSP Rental Program, or #8 – Financing Mechanisms for Purchase and Redevelopment which are outlined in this amendment. For housing activities, the design of the activity will ensure continued affordability.

I. Budget:

\$15,000

J. Performance Measures:

The performance measurement will be dependent upon the number of properties acquired through Activity #1 – NSP Demolition and Redevelopment Program, #2 – Urban Homesteading (50% AMI), #3 – Urban Homesteading (120% AMI), #6 (NSP Rental Program) and #8 – Financing Mechanisms for Purchase and Redevelopment.

## **II. NSP Specific Activity Information**

### **Activity #8**

**A. Activity Name:** NSP Financing Mechanisms for Purchase and Redevelopment

**B. Activity Type:**

NSP Eligible Uses: Section 2301(c)(3) NSP (A) Establish financing mechanisms for purchase and rehabilitation of homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.

CDBG Eligible Activities: The CDBG eligible activity is part of an activity delivery cost for an eligible activity defined in 24CFR 570.206 and 24 CFR 570.201(a) Acquisition, (b) Disposition, (n) Direct Homeownership Assistance, 570.202 Rehabilitation and preservation with counseling services for those that take part in the homebuyer activity.

**C. National Objective:** LMMH – Housing activity benefiting persons of low-, moderate, and middle income – 24 CFR 570.208(a)(3)

**D. Projected Start Date:** March 15, 2009

**E. Projected End Date:** July 15, 2010

**F. Responsible Organization:** City of Rockford at 425 East State Street, Rockford, Illinois, 61104 in partnership with local lenders, other private for profits and non-profits.

**G. Location Description:**

Properties will be located within Census Tracts 10, 12, 13, 25, 26, 28 31, and 32.

**H. Activity Description:**

This activity will address neighborhood stabilization in one to eight of the census tracts listed above through the establishment of creating financing mechanisms for purchase and redevelopment of fore closed upon homes and residential properties. The specific neighborhoods within the census tracts will be identified at the time the NSP funds are available for drawdown as the program progresses. Purchase of specific foreclosed properties will be dependent on the highest degree of availability of foreclosed, moderately priced property. The tenure of beneficiaries will be low-, moderate, and middle-income homeownership. The housing will meet City standards and will be affordable.

Homebuyers will receive down payment and closing cost assistance with maximum assistance to be determined. Minimum assistance will be \$1,000. Minor rehabilitation assistance may also be provided. Assistance will be forgiven over the term of affordability.

Continued affordability will be achieved through the financing mechanisms. Financing will be long term and at a fixed-rate. Recapture provisions will be placed as a lien on the property. A portion of the funds to make the project affordable be forgiven over the term of affordability. The projects will be monitored through the same process that is used to monitor HOME projects.

A limited amount of funds are expected to be used to provide housing for persons whose incomes do not exceed 50% of area median. It is anticipated that if persons are assisted, it may be in conjunction with Activities #2 - NSP Urban Homesteading program.

I. Budget:

\$301,553

J. Performance Measures:

Performance measures for this activity include the number of housing units purchased by LMMI.

### *III. 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.
- (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 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 income does not exceed 120 percent of area median income.
- (11) **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.

(12) **Compliance with anti-discrimination law.** 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.

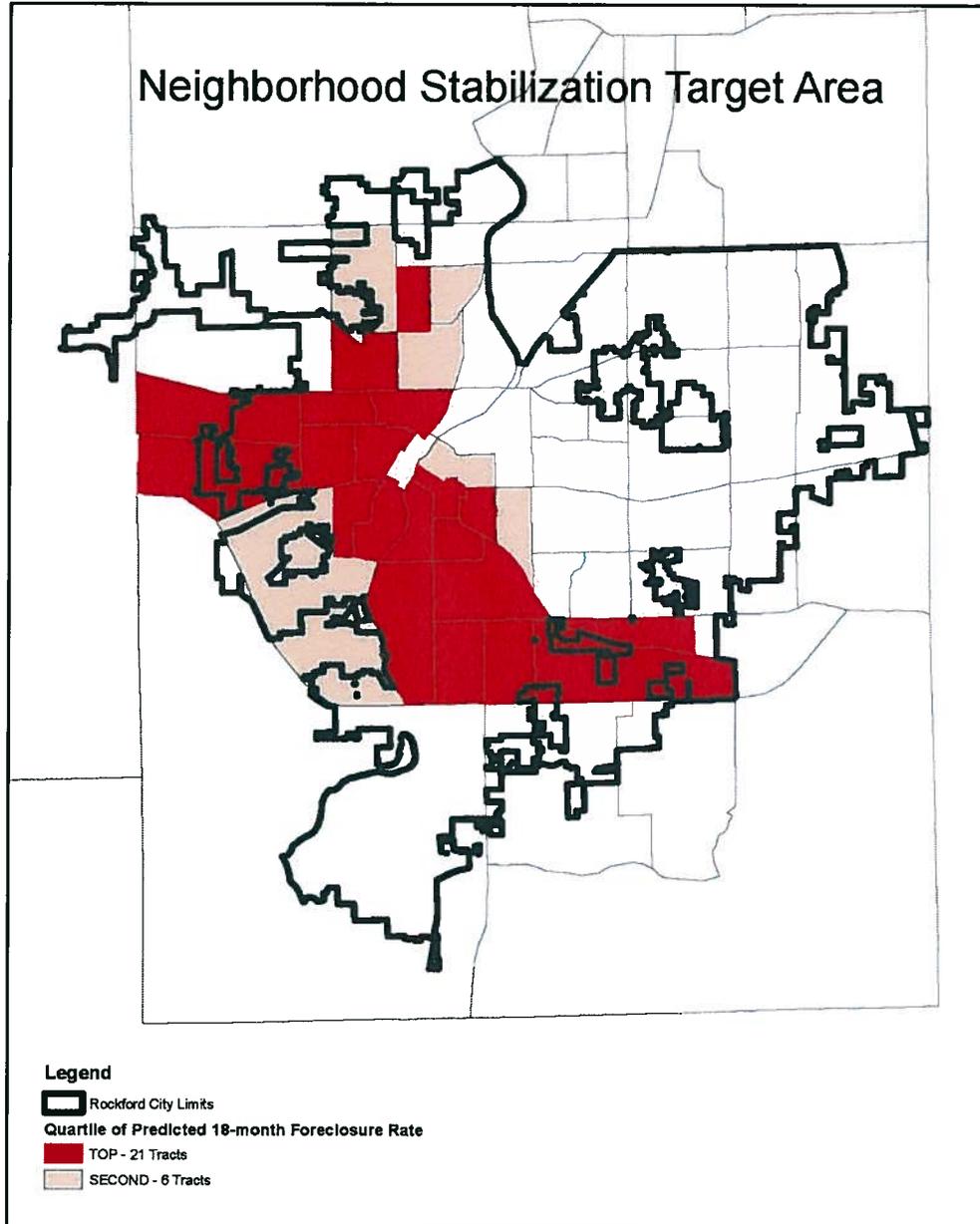
(13) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

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

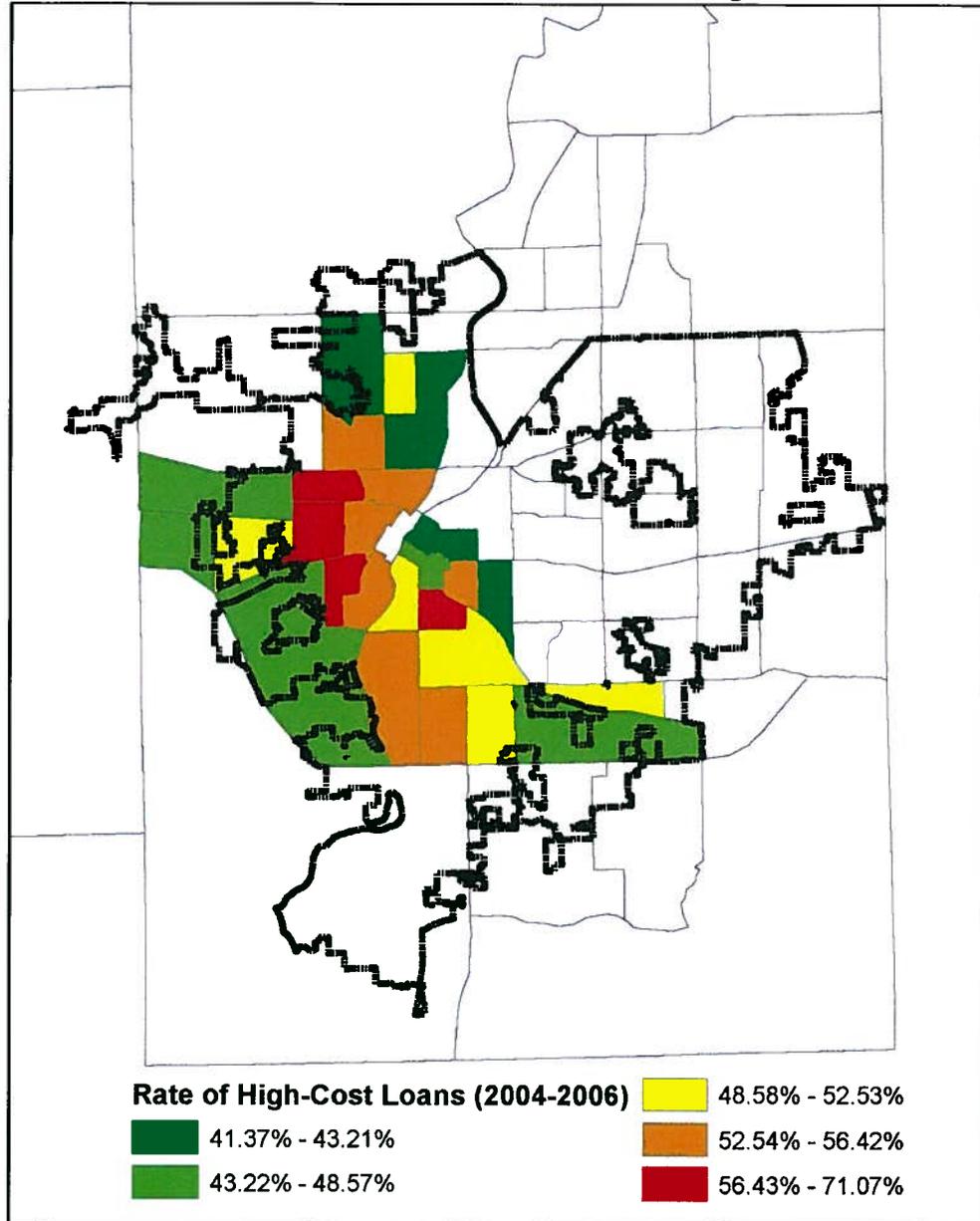
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November 24, 2008  
Date

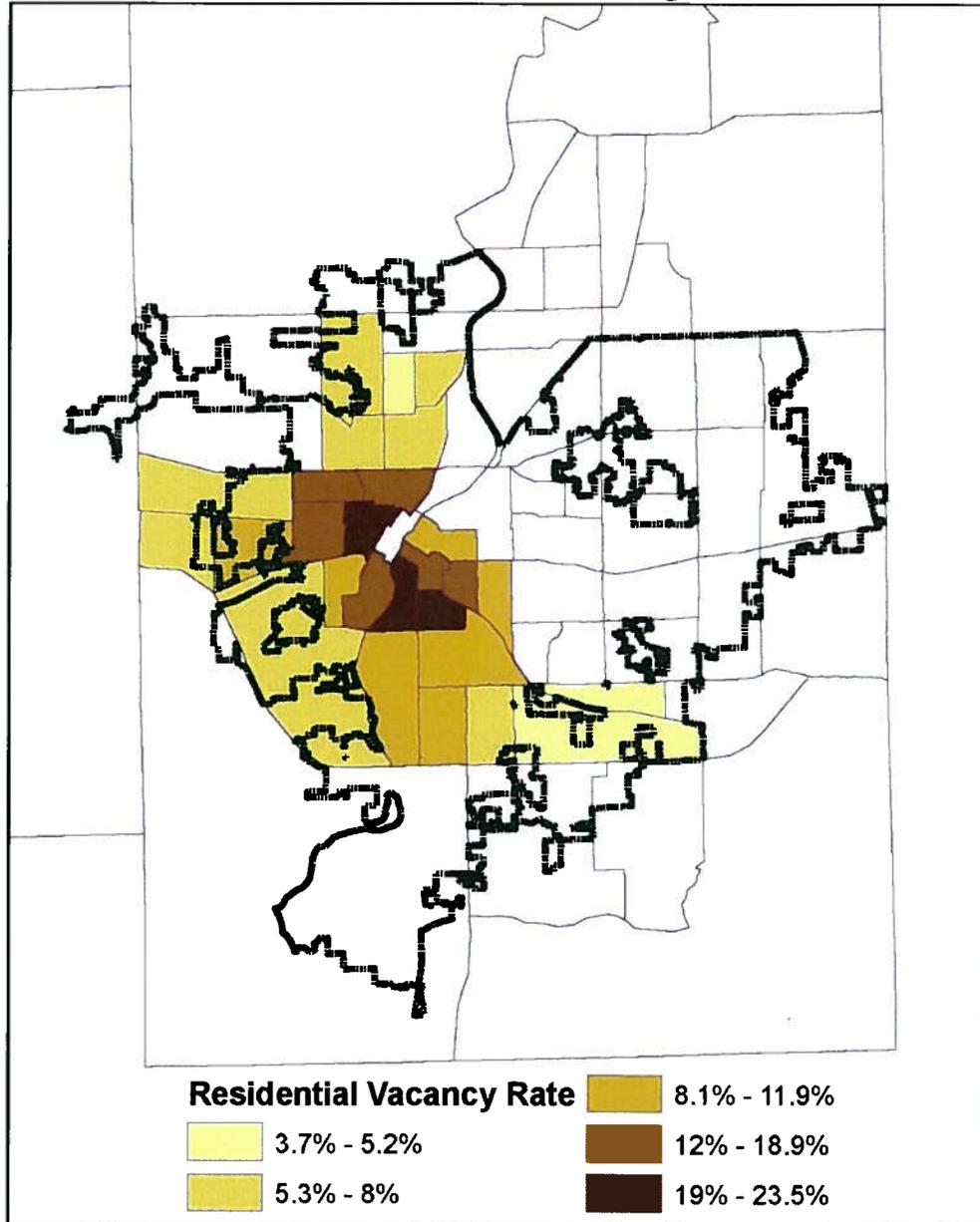
Mayor  
Title



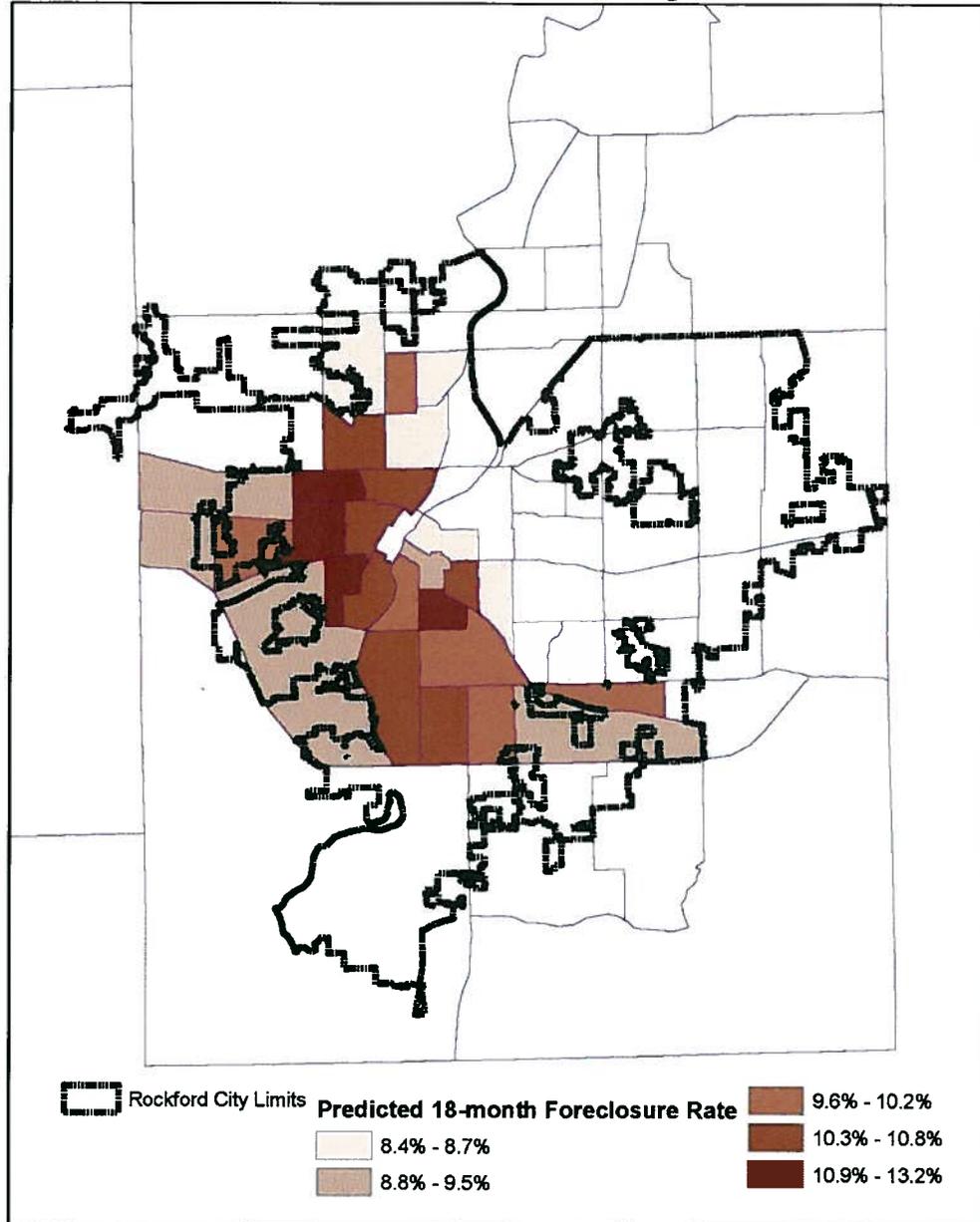
# High-Cost Loan Rates in Neighborhood Stabilization Target Area



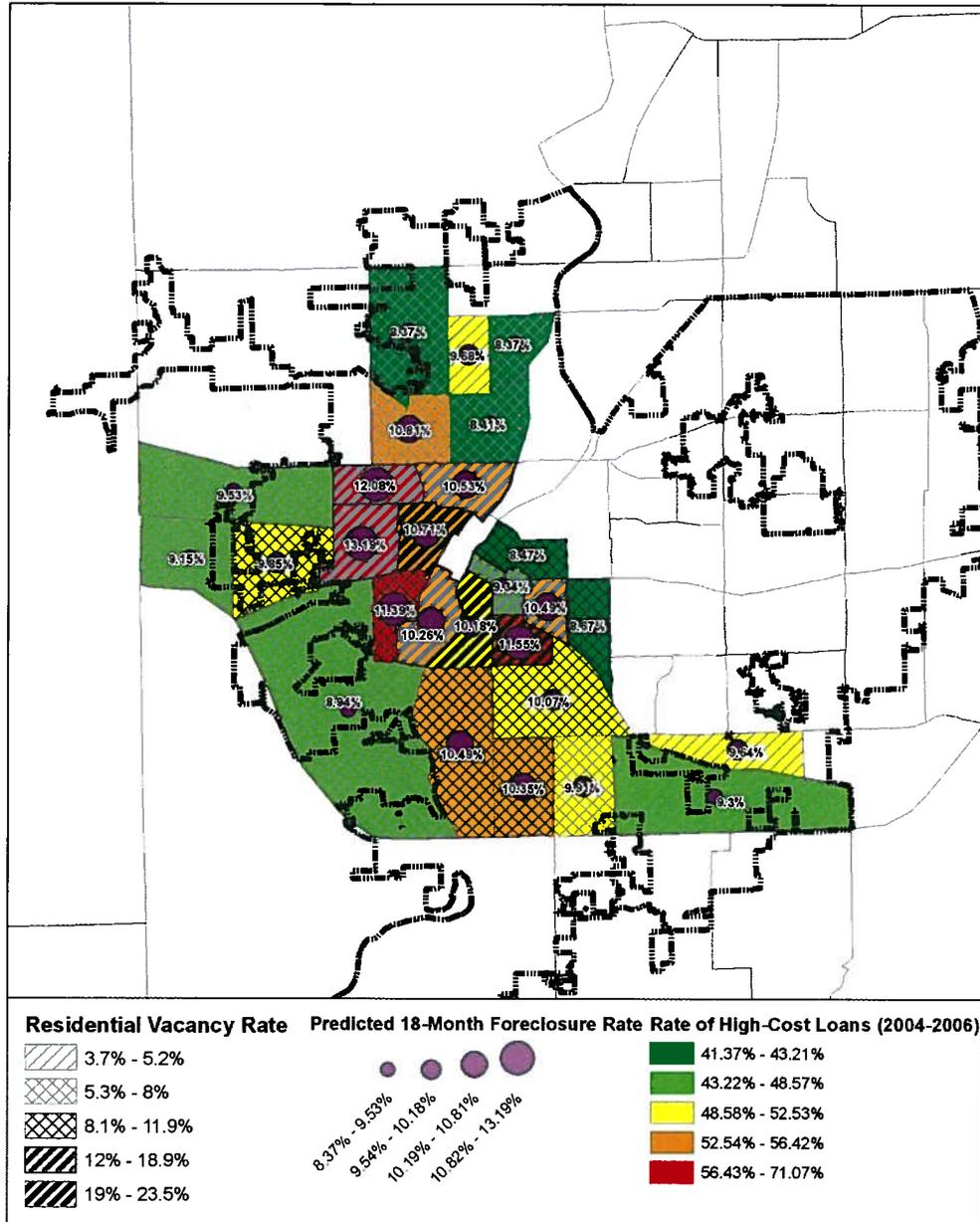
Residential Vacancy Rate (per USPS)  
in  
Neighborhood Stabilization Target Area Tracts



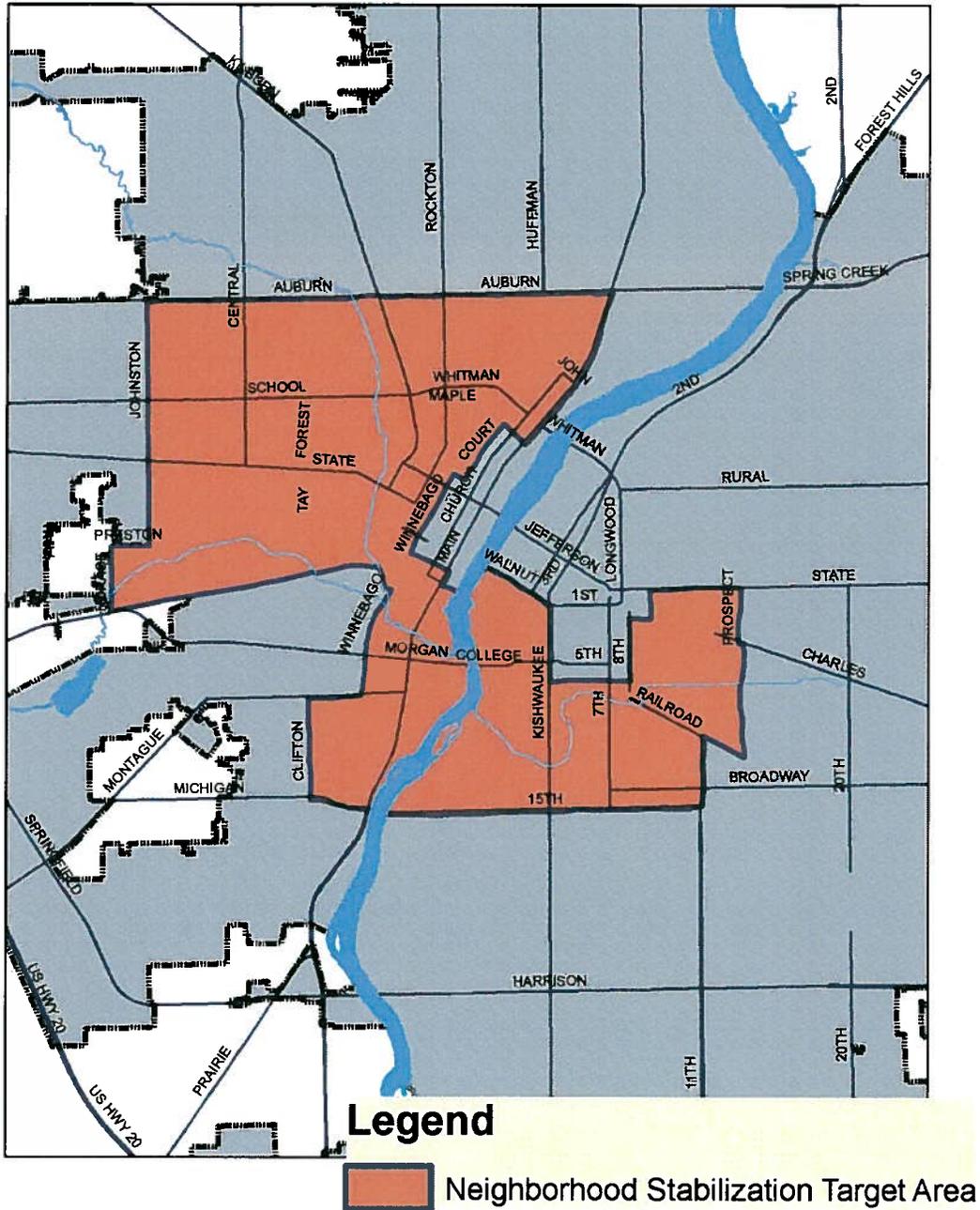
Predicted 18-month Foreclosure Rate  
in  
Neighborhood Stabilization Target Area Tracts



# Neighborhood Stabilization Target Area Tracts



### Neighborhood Stabilization Target Area



### Neighborhood Stabilization Target Area Tracts

