



HAMILTON COUNTY, OHIO
NEIGHBORHOOD STABILIZATION PROGRAM

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): Hamilton County, Ohio <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: Susan Walsh Address: 138 E. Court St. Room 1002 Cincinnati, Ohio 45202 Telephone: 513-946-8235
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<ul style="list-style-type: none">• <i>(URL where NSP Substantial Amendment materials are posted)</i>	

A. AREAS OF GREATEST NEED

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

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.

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

Response:

Hamilton County, Ohio is made up of 48 cities, villages, and townships outside the central city of Cincinnati. Of these 48 communities, 40 participate in the County's Entitlement CDBG Program. All of this area has been impacted by the foreclosure crisis, but some areas have been impacted more severely than others. In determining what data would be helpful to determine the areas of greatest need, staff from the Departments of Community Development, Regional Planning, and County Commissioners reviewed information from the Clerk of Courts and Auditor's office regarding foreclosure filings and completed foreclosures, studies completed by Working in Neighborhoods (a non-profit developer and counseling agency), and data provided by HUD, including USPS vacancy rates, Low/Mod/Middle income data, Estimated Foreclosure abandonment risk score, HMDA high cost loan rates, and predicted 18 month underlying problem

foreclosure rate. This data was examined at the community level, broken down by census tract and block group. Further information regarding the final areas of greatest need is described below.

To identify communities to be targeted with NSP funds, we began by examining a previously published report on Hamilton County's foreclosure problem. The statistics in this report indicated that there were natural breaks in the data when attempting to identify communities most severely impacted. In other words, it seemed readily apparent which communities were most affected. To further validate this observation we examined the Hamilton County Clerk of Court's records for foreclosures completed during the period from 1/1/2006 to approximately 10/15/08. Total foreclosures were calculated for each of our participating communities and were then divided by the total number of housing units in that community. The resulting "Foreclosures as a Percentage of Housing Units" allowed us to rank communities on this basis.

$$\frac{\text{Total foreclosures in community 2006-2008}}{\text{Total housing units in community}} = \text{Foreclosures as \% of Housing Units}$$

A baseline of >2% was set as the minimum required in order to receive further consideration for targeting.

Communities meeting the >2% minimum were then compared using foreclosure data provided by HUD. To be further considered for targeting, communities had to meet the following parameters:

- "Estimated foreclosure abandonment risk score" of 8 or above in a minimum of 50% of block groups;
- Community average for "Predicted 18 month underlying problem foreclosure rate" of 6% or more;
- Minimum of 50% of block groups classified as "low moderate middle income eligible".

After tabulating these measurements a list of approximately 20 communities remained that were potentially eligible for targeting. At this point a decision was made to eliminate from consideration any community with less than 1,000 housing units. Although these communities had relatively high foreclosure *rates*, the actual number of foreclosures was minimal when compared to larger jurisdictions. A portion of our NSP funding has been reserved for such areas, i.e., small pockets where foreclosure is a problem, yet not large enough to justify designation as a targeted area.

In the end, a total of 15 jurisdictions within Hamilton County qualified for targeting. The spreadsheet below illustrates the process described here.

Jurisdiction	Total Foreclosures 2007 & 2006	2008 Foreclosures	Total Foreclosures	Total Housing Units	Foreclosures as % of Total Housing Units (B+C)/D	≥ 50% of Block Groups with Foreclosure Risk Score 8 or Above?	Average of Predicted 18 Month Score 6 or Above	≥ 50% of Block Groups Eligible
Colerain Township	500	344	844	23,093	3.65%	Yes	Yes	Yes
Springfield Township	371	239	610	14,478	4.21%	Yes	Yes	Yes
Forest Park	276	158	434	7,748	5.60%	Yes	Yes	Yes
Norwood	188	101	289	10,044	2.88%	Yes	Yes	Yes
North College Hill	153	76	229	4,488	5.10%	Yes	Yes	Yes
Cheviot	93	52	145	4,338	3.34%	Yes	Yes	Yes
Golf Manor	70	38	108	1,840	5.87%	Yes	Yes	Yes
Mt. Healthy	70	36	106	3,421	3.10%	Yes	Yes	Yes
Saint Bernard	56	31	87	2,195	3.96%	Yes	Yes	Yes
Cleves	38	37	75	1,020	7.35%	Yes	Yes	Yes
Lincoln Heights	56	17	73	1,762	4.14%	Yes	Yes	Yes
Elmwood Place	48	21	69	1,173	5.88%	Yes	Yes	Yes
Lockland	43	25	68	1,826	3.72%	Yes	Yes	Yes
Silverton	38	25	63	2,662	2.37%	Yes	Yes	Yes
Woodlawn	32	18	50	1,330	3.76%	Yes	Yes	Yes

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:

As described in the section above, the data used to analyze the areas of greatest need in Hamilton County consisted of the following: (1) numbers and % of completed foreclosures from 2006, 2007, and 2008 through 10/15/08, obtained from the Clerk of Courts office, (2) data supplied from HUD indicating the percentage of loans in each block group that were classified as a high cost loan per HMDA , (3) the HUD supplied “Estimated Foreclosure Abandonment Risk Score”, (4) the HUD supplied “Predicted 18 month underlying problem foreclosure rate”, (5) the HUD supplied “USPS residential vacancy rate”, and (6) the HUD supplied data indicating the numbers of households, by census tract and block group, below 120% of median income. The first 3 points of data address the required areas of the statute, where the greatest percentage of home foreclosures, the highest percentage of homes financed by a subprime mortgage related loan, and identified as likely to face a significant rise in the rate of home foreclosures, be used in the targeting.

In determining the uses of the funds, the Department of Community Development and the Board of County Commissioners arranged several meetings with the communities identified as targeted, to educate them about the NSP program and eligible uses, and to receive input regarding the needs of the communities. Using a survey instrument, information was collected to identify the most common types of projects that would be needed by these communities, and approximate total funding needs for each activity.

In determining distribution of the funds, the number of foreclosures, using 2006, 2007, and 2008 data through 10/15/08, was ranked by targeted community, and funds were allocated by means of a funding cap, in that order. A decision was made to allocate the funds to different projects, and then to impose a cap by community, to access these funds. Communities that will access funds for projects that create program income will then be able to access more funding in the future by having the program income replenish the funds in their allocation cap.

The charts identified below demonstrate the allocations for different projects and the funding caps by targeted community.

NSP Activities and Costs

Activity	Average Cost	# of homes	Cost/home	Total Cost	Program Income	# of homes
Valley Homes Redevelopment	25% of NSP funds	13	\$153,308	\$1,993,000		
Acquisition (for demolition)	avg. of \$25,000 subsidy/house	40	\$25,000	\$1,000,000		
Demolition (residential)	avg. of \$8500/house	85	\$8,500	\$722,500		
Demolition (commercial)	avg. of \$16,500/commercial	20	\$16,500	\$330,000		
Acquisition (for rehab)	avg. of \$40,000 subsidy/house	26	\$40,000	\$1,040,000	\$832,000	20
Rehab or New Construction	avg. of \$60,000 subsidy/house	26	\$60,000	\$1,560,000	\$1,248,000	20
Homebuyer Downpayment Assistance	avg. of \$5,000/buyer	26	\$5,000	\$130,000		
Homebuyer Soft Second Mortgage	avg. of \$10,000/buyer	26	\$10,000	\$260,000		
Homebuyer Counseling	avg. of \$750/buyer	26	\$750	\$19,500		
Appraisal and Legal Services	avg. of \$1800/house	66	\$1,800	\$118,800		
Administration	10% of grant			\$797,050		
Total				\$7,970,850	\$2,080,000	
Grand total (with anticipated program income)				\$10,050,850		

Spending Caps by Community

Jurisdiction	# Foreclosures 2006 - 2008	Funding Cap	Appraisal/Legal Services	25% rental	Admin
Colerain Township	844	\$585,000			
Springfield Township	610	\$510,000			
Forest Park	434	\$435,000			
Norwood	289	\$375,000			
North College Hill	229	\$350,000			
Cheviot	145	\$300,000			
Golf Manor	108	\$260,000			
Mt. Healthy	106	\$260,000			
St. Bernard	87	\$235,000			
Cleves	75	\$230,000			
Lincoln Heights	73	\$230,000			
Elmwood Place	69	\$225,000			
Lockland	68	\$225,000			
Silverton	63	\$225,000			
Woodlawn	50	\$215,000			
Balance of County		\$400,000			
Subtotal		\$5,060,000	\$120,000	\$1,993,000	\$797,000
Total of all funds		\$7,970,000			

In determining the use of the 25% of funds to go to households at or below 50% of median income, discussions indicated that the use of these funds would mainly have to be rental, as the income level for these households would not be high enough to be considered by lenders for homeownership. Discussions among staff led to the belief that using these funds to be targeted to one community and project would have the most impact. At the same time, there was a proposed redevelopment of housing in Lincoln Heights (one of the targeted communities, and also one of the lowest income communities in Hamilton County), that had been awarded Low Income Housing Tax Credits by the state of Ohio. However, this project still had a gap in development funding of over 2 Million dollars. This project consists of older dilapidated housing, of which approximately 1/3 of the units are vacant and abandoned, and in need of demolition. Tax liens have been filed against the property, as taxes have gone unpaid. Although the property is not currently in foreclosure, the foreclosure will be initiated if that is the only requirement left for eligibility of the NSP funds. Funds set aside for this project will be used for both demolition of the blighted buildings, and redevelopment of new housing to be occupied by households at or below 50% of median income.

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

The definition to be used for blighted structure for the Hamilton County NSP Program will be the same definition used by the State of Ohio, defined in the Ohio Revised Code, as described below:

(B) "Blighted parcel" means either of the following:

(1) A parcel that has one or more of the following conditions:

(a) A structure that is dilapidated, unsanitary, unsafe, or vermin infested and that because of its condition has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;

(b) The property poses a direct threat to public health or safety in its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination;

(c) Tax or special assessment delinquencies exceeding the fair value of the land that remain unpaid thirty-five days after notice to pay has been mailed.

(2) A parcel that has two or more of the following conditions that, collectively considered, adversely affect surrounding or community property values or entail land use relationships that cannot reasonably be corrected through existing zoning codes or other land use regulations:

(a) Dilapidation and deterioration;

(b) Age and obsolescence;

(c) Inadequate provision for ventilation, light, air, sanitation, or open spaces;

(d) Unsafe and unsanitary conditions;

(e) Hazards that endanger lives or properties by fire or other causes;

(f) Noncompliance with building, housing, or other codes;

(g) Nonworking or disconnected utilities;

(h) Is vacant or contains an abandoned structure;

(i) Excessive dwelling unit density;

(j) Is located in an area of defective or inadequate street layout;

(k) Overcrowding of buildings on the land;

(l) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;

(m) Vermin infestation;

(n) Extensive damage or destruction caused by a major disaster when the damage has not been remediated within a reasonable time;

(o) Identified hazards to health and safety that are conducive to ill health, transmission of disease, juvenile delinquency, or crime;

(p) Ownership or multiple ownership of a single parcel when the owner, or a majority of the owners of a parcel in the case of multiple ownership, cannot be located.

(C) When determining whether a property is a blighted parcel or whether an area is a blighted area or slum for the purposes of this section, no person shall consider whether there is a comparatively better use for any premises, property, structure, area, or portion of an area, or whether the property could generate more tax revenues if put to another use.

(D)(1) Notwithstanding any other provision of this section, absent any environmental or public health hazard that cannot be corrected under its current use or ownership, a property is not a blighted parcel because of any condition listed in division (B) of this section if the condition is consistent with conditions that are normally incident to generally accepted agricultural practices and the land is used for agricultural purposes as defined in section 303.01 or 519.01 of the Revised Code, or the county auditor of the county in which the land is located has determined under section 5713.31 of the Revised Code that the land is "land devoted exclusively to agricultural use" as defined in section 5713.30 of the Revised Code.

(2) A property that under division (D)(1) of this section is not a blighted parcel shall not be included in a blighted area or slum.

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

Response:

Hamilton County will use the low HOME rents in rental projects funded by NSP funds. The current low (50%) HOME rents as of 11/11/08 are as follows: 1 Bedroom \$566, 2 Bedroom \$733, 3 Bedroom \$860, 4 Bedroom \$960.

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

Response:

Hamilton County will use the HOME Program guidelines as a minimum in determining the period of affordability for NSP funds. Funding provided per rental or homeownership unit <\$15,000 will have a 5 year period of affordability, funding provided between \$15,000 - \$40,000 per unit will have a 10 year period of affordability, and funding >\$40,000 per unit will have a 15 year period of

affordability. New construction rental projects will have a 20 year period of affordability, regardless of amount of subsidy, as required by the HOME regulations.

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

Response:

Hamilton County's rehabilitation standards for NSP will be the same as those required for the HOME Program. All units rehabilitated with NSP funds will be required to be brought up to local code, in this case, the Hamilton County Building Code. Units will be required to meet the accessibility requirements of 24 CFR Part 8 which implements Section 504 standards. Units must be rehabbed in compliance with Lead Based Paint regulations, as specified in Section 401 (b) of the Lead Based Paint Poisoning Prevention Act, and 24 CFR Part 35 Subpart B. In addition, energy efficiency modifications and visitability features will be encouraged in redevelopment of the housing units, as well as new construction of housing units.

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: **\$1,993,000.**

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.

Response:

25% of Hamilton County's NSP allocation, which equals \$1,993,000, will be used to redevelop abandoned or foreclosed residential property for housing individuals or families whose income does not exceed 50% of area median income. Specifically, this set-aside of funds will be used with Federal Low Income Housing Tax Credits and State of Ohio HOME funds in the redevelopment of the Valley Homes project in Lincoln Heights. In this redevelopment, NSP funds will be used for demolition of the vacant, abandoned and blighted buildings that are a part of the Valley Homes site, and also used for part of the new construction of 69 two bedroom single family rental homes.

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:

We believe it is possible that 15 - 20 homes will be demolished that may have been previously occupied by low/moderate income households. However, we expect to make available up to 46 rehabbed or newly constructed housing units to moderate/middle income households through acquisition/rehabilitation or acquisition/new construction. Details regarding these units, including proposed time schedules for commencement and completion, are contained in the various activity descriptions that follow in this document.

We expect to make 13 units of newly constructed housing available to households where median income does not exceed 50%.

F. PUBLIC COMMENT

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

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.

Response:

Several meetings with impacted communities, non-profit developers, and other interested parties took place both prior to the publication of this draft NSP application, and during the 15 day comment period (from 11/11/08 through 11/25/08), culminating with a visit by U. S. Senator George Voinovich to discuss both City and County Programs. Suggestions and comments have been considered in the formulation of this Neighborhood Stabilization Program for Hamilton County. Written Comments were received from the Center for Independent Living Options, suggesting that all new construction include visitability features, and that has been recommended in the final Plan. Written comments were received from the Legal Aid Society of Southwest Ohio, supporting the Plan and encouraging flexibility in the 25% of funding for housing persons below 50% of median income,

in the unlikely event that the proposed project for that funding not go forward. If that occurs, a modification of the plan will be made and submitted under the guidelines to be set forth from HUD. Submission of the final NSP application was approved by the Board of County Commissioners on 11/26/08 and submitted to HUD that day.

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

(1) Activity Name: **The Villas at Valley Homes Redevelopment**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity) **NSP eligible use is redevelopment of abandoned or foreclosed upon homes or residential properties, and new construction of rental housing. CDBG eligible activity under low/mod income housing, 24 CFR 570.201(d) and 570.201(m).**

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income). **The national objective will be construction of housing for low income households, $<50\%$ of median income.**

(4) Activity Description:

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

The Villas at Valley Homes project consists of the complete rebirth of the historic Valley Homes Mutual Housing Cooperative site. Phase I entails the new construction of 69 two bedroom one bathroom senior villas along the north side of 972 Medosh Street, Lincoln Heights, Ohio 45215. Units will range from 900 to 1100 square feet with twenty percent of the units fully ADA accessible. Net rents will range from \$403 to \$462 with tenants responsible for their own utilities. Gross rents for the NSP funded units will be affordable to households at or below 50% of median income. Villas of the Valley is expected to earn the Green Communities environmental designation for its innovating design and construction techniques.

The target population for the project will be elderly 55 and older, low-income households. Rents of 10% of the units will be affordable to and occupied by extremely low-income households at 35% of area median gross income (AMGI). Rents at 40% of the units will be affordable to households at 60 percent of AMGI and 50 percent of the units will be affordable to households at 50 percent of AMGI. Incomes will be restricted to 60% of the units will occupied by households at 60% of AMGI and 30% of the units will be occupied by households at 50% of AMGI. Services to be provided to the residents will include: meals on wheels, transportation services, social opportunities, and protection and payee services.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) **972 Medosh St. Lincoln Heights, Ohio 45215**

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median

income and below, 51-80 percent, and 81-120 percent). **69 Units of rental housing will be developed, in the form of 2 bedroom cottage style rental homes. Of these 69 units, 13 will be funded by NSP funds, and all of the NSP units will be affordable to households below 50% of median income. The remainder of the units will be affordable to households below 60% of median income.**

(7) Total Budget: (Include public and private components) **The budget for Villas of the Valley consists of \$8,538,464 in LIHTC equity, \$1,993,000 in NSP funds, \$576,000 in Ohio HDAP funds, \$554,000 in 1st mortgage financing, and \$10,000 in deferred developer fee, leaving \$311,140 of gap; source to be determined. The budget for this project is fairly high due to the complexity and amenities provided; as the units will be single family homes, the project includes more infrastructure costs, and as it is targeted to elderly, a community room is included in the project.**

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information) **The responsible organization that will implement the activity will be the Model Group, a developer which has secured the tax credits and other financing for this project. The contact person will be Steven Smith, Model Property Development, LLC, 2170 Gilbert Ave., Cincinnati, Ohio 45206. Phone is 513-559-0048 ext. 5852, and e-mail is steve.smith@themodelgroup.net.**

(9) Projected Start Date: **August, 2009.**

(10) Projected End Date: **December, 2010.**

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

For housing related activities, include:

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

The funding for the demolition and new construction, provided to the developer, will be in the form of a zero interest loan, deferred for a period of 20 years, to keep the units at the required rents during the period of affordability. After this time, the loan will be forgiven, as the developer intends to sell the units to the low/mod income occupants. The project is rental for the period of 15 years, as required by the tax credit funding, and the NSP units will continue to be rental for an additional 5 years. This design will ensure continued affordability for the entire required period of 20 years.

- (1) Activity Name: **Acquisition and Rehab/New Construction**
- (2) Activity Type: (include NSP eligible use & CDBG eligible activity) **NSP eligible use is acquisition and rehabilitation/new construction of residential properties that have been abandoned or foreclosed upon. CDBG eligible activity under 570.201(a), (b), (m), and 570.202(a).**
- (3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income). **National objective is housing for low/mod/middle income households. The final rehabbed or newly constructed houses will be sold to households below 120% of median income.**
- (4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income. **This activity will be acquisition of foreclosed and/or abandoned residential properties, and then either rehabilitation of the home, or demolition of the structure and new construction if the property is not able to be rehabbed, with resale to homebuyers below 120% of median income.**
- (5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) **The locations of these homes will be mostly confined to the 15 targeted areas of the County, as identified earlier in this application. However, some funding is reserved for the balance of the County in areas of eligible income.**
- (6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent). **We expect that 26 homes will initially be developed under this activity, with an additional 20 homes developed using program income proceeds.**
- (7) Total Budget: (Include public and private components) **NSP funds will consist of \$2,646,800. Private funds expected to be contributed total \$1,300,000. Program income of \$2,080,000 is expected from the sale of the 26 homes, which will be used to develop an additional 20 homes.**
- (8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information) **Hamilton County Department of Community Development will be the responsible organization for carrying out this activity. It is anticipated that the Department will work with the 15 targeted communities to acquire the properties with the aid of local non-profit organizations (such as the Greater Cincinnati**

Redevelopment Partnership (GCRP) and Homesteading & Urban Redevelopment Corp (HURC)) and local non-profit developers. The Department's address is 138 E. Court St. Room 1002, Cincinnati, Ohio 45202. Contact person is Susan Walsh at 513-946-8235 or susan.walsh@hamilton-co.org.

(9) Projected Start Date: **March, 2009, or when NSP funds are approved and available for use, whichever is earlier.**

(10) Projected End Date: **March, 2014.**

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

For housing related activities, include:

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

For acquisition, the discount rate will be a minimum of 5%, but will average 15% in the aggregate, to comply with the NSP regulations. In other words, the purchase price that will be paid for the homes acquired will be an average of 15% below appraised value. The funding for the acquisition and rehab or new construction, provided to the developer, will be in the form of a zero interest loan, deferred for a period of 2 years, to be repaid upon sale of the house to a qualified homebuyer. The continued affordability will be ensured by a subsidy being provided to the homebuyer in the form of a deferred loan (see activity, "Homebuyer Counseling and Downpayment Assistance").

- (1) Activity Name: **Demolition of residential and commercial property**
- (2) Activity Type: (include NSP eligible use & CDBG eligible activity) **Demolition of blighted structures – NSP eligible under 2301(c)(3)(D), and CDBG eligible activity under 24 CFR 570.201(d).**
- (3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income). **This project benefits low, moderate, and middle income households on an area basis, as the demolition will only occur in these eligible areas.**
- (4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income. **Blighted structures that are vacant and abandoned will be demolished under this activity. Only structures located in low/mod/middle income areas, that meet the definition of blighted, and are not candidates for rehab, will be eligible for demolition. This activity will have the benefit of improving the neighborhood in which it is located, by removing the blighting influence, and raising property values in the area. In most cases these parcels will not be developed immediately, as in many areas there is too much housing, and thus there is not a market for new or rehabbed housing on these lots. This activity will not meet the low income housing requirement for those below 50% of area median income.**
- (5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) **Locations of these properties to be demolished will primarily be in the 15 targeted communities, as identified earlier in this application, but may include some properties in other low/mod/middle income areas to a limited extent, in the balance of the County’s participating jurisdictions.**
- (6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent). **This activity is expected to provide demolition of 85 residential properties (at an average cost of \$8500 per home), and 20 commercial properties (at an average cost of \$16,500 per commercial property). All properties will be located in areas below 120% of median income.**
- (7) Total Budget: (Include public and private components) **Funding in the amount of \$1,052,500 will be reserved for this activity. Private resources in the amount of \$330,000 are expected.**
- (8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information) **Hamilton County Department of Community Development will be the responsible organization for carrying out this activity. It is anticipated that the**

Department will work with the 15 targeted communities to identify the properties to be demolished, with the aid of local non-profit organizations (such as GCRP and HURC), and non-profit developers. The Department's address is 138 E. Court St. Room 1002, Cincinnati, Ohio 45202. Contact person is Susan Walsh at 513-946-8235 or susan.walsh@hamilton-co.org.

(9) Projected Start Date: **March, 2009, or when NSP funds are approved and available from HUD, whichever is earlier.**

(10) Projected End Date: **December, 2012.**

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

For housing related activities, include:

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

The funding for this activity is expected to be provided in the form of a grant, with the requirement that a lien be placed against the owner of the property (if privately owned), so that the grant could be paid back if the vacant land is ever sold or developed. It is expected that a 50% match in private or local public funds will be contributed to this activity for commercial demolitions.

- (1) Activity Name: **Acquisition of residential properties for demolition**
- (2) Activity Type: (include NSP eligible use & CDBG eligible activity) **NSP eligible use is acquisition of vacant residential properties that have been foreclosed or abandoned. CDBG eligible activity under 570.201 (a).**
- (3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income). **This project benefits low, moderate and middle income households (less than or equal to 120% of median income) on an area basis, as the acquisition of vacant, blighted properties to be demolished will only occur in these eligible areas.**
- (4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income. **This activity will be for acquisition of vacant blighted, foreclosed/ abandoned residential homes located in low/mod/ middle income areas for the purpose of demolition.**
- (5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) **The locations of these homes will be mostly confined to the 15 targeted areas of the County, as identified earlier in this application. However, some funding is reserved for the balance of the County in areas of eligible income.**
- (6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent). **We expect that up to 40 homes will be acquired under this activity. All properties will be located in areas below 120% of median income.**
- (7) Total Budget: (Include public and private components) **Funding in the amount of \$1,072,000 will be reserved for this activity, with an anticipated subsidy per home of \$26,800.**
- (8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information.) **Hamilton County Department of Community Development will be the responsible organization for carrying out this activity. It is anticipated that the Department will work with the 15 targeted communities to acquire the properties with the aid of local non-profit organizations (such as GCRP and HURC) and possibly local non-profit developers. The Department's address is 138 E. Court St. Room 1002, Cincinnati, Ohio 45202. Contact person is Susan Walsh at 513-946-8235 or susan.walsh@hamilton-co.org.**

(9) Projected Start Date: **March 1, 2009 or when NSP funds are approved and available from HUD, whichever is earlier.**

(10) Projected End Date: **March 1, 2013.**

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

For housing related activities, include:

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

For acquisition, the discount rate will be a minimum of 5%, but will average 15% in the aggregate, to comply with the NSP regulations. It is anticipated that the actual discount will be more than these thresholds since the units being acquired will be blighted and not considered good candidates for rehabilitation.

(1) Activity Name: **Homebuyer counseling and downpayment assistance**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity) **NSP eligible use is Downpayment assistance and homebuyer counseling, and CDBG eligible activity is 24 CFR 570.201(e) and (n).**

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

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income. **This activity will provide counseling and downpayment assistance to households below 120% of area median income, who are buyers of the rehabbed or newly constructed homes under this NSP Program. The counseling component is expected to be provided by existing agencies that provide these services. The downpayment assistance, to be capped at \$14,999, will be provided in the form of a soft second mortgage, to be repaid only in the event that the household moves and sells the home before the period of affordability expires. The period of affordability will match the HOME regulations, as identified earlier in this application.**

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) **Locations of the properties to be sold to the homebuyers will primarily be in the 15 targeted communities, as identified earlier in this application, but may include some properties in other low/mod/middle income areas to a limited extent, in the balance of the County's participating jurisdictions.**

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent). **It is expected that 26 homebuyers will be assisted with the counseling and downpayment assistance, 10 who are between 50 – 80% of median income, and 16 who are between 80 – 120% of median income.**

(7) Total Budget: (Include public and private components) **\$409,500 of NSP funds will be provided for this activity, based on anticipated costs of \$750 per homebuyer for counseling, and \$15,000 per homebuyer for downpayment assistance. It is expected that some homebuyers may qualify for other downpayment assistance as well, but no estimate of private funding is being given at this time.**

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information) Hamilton County Department of Community Development will be the responsible organization for carrying out this activity. **It is anticipated that the Department will administer this activity through Department employees, with the aid of non-profit developers marketing the units for sale, and identifying the moderate/middle income homebuyers eligible for this downpayment assistance. The Department's address is 138 E. Court St. Room 1002, Cincinnati, Ohio 45202. Contact person is Susan Walsh at 513-946-8235 or susan.walsh@hamilton-co.org.**

(9) Projected Start Date: **March, 2009.**

(10) Projected End Date: **March, 2014.**

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

For housing related activities, include:

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

The funding for counseling will be provided as a grant to agencies that provide these services, for each homebuyer who successfully completes the training. The downpayment assistance will be provided to the homebuyer in the form of a loan, which will be deferred for the period of affordability (expected to be 5 years for subsidy below \$15,000), and then forgiven. The beneficiaries are moderate/middle income homebuyers, and they will be required to live in the home during the period of affordability.

- (1) Activity Name: **Administration**
- (2) Activity Type: (include NSP eligible use & CDBG eligible activity) **NSP eligible use is for Administration of Program, CDBG eligible activity under 570.206.**
- (3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income). **Administration is exempt from meeting a national objective.**
- (4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income. **This activity constitutes administration of the NSP Program. The activity will begin in October, 2008 and be reimbursed as pre-award costs, eligible under the NSP Program, from the period of October, 2008 to the grant start date.**
- (5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) **Hamilton County Community Development's office is located at 138 E. Court St. Room 1002, Cincinnati, Ohio 45202.**
- (6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent). **Not applicable.**
- (7) Total Budget: (Include public and private components) **10% of the NSP Grant, which is \$797,050, and 10% of Program Income, which is undetermined at this time.**
- (8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information). **The Department will administer this activity primarily through Department employees. The Department's address is 138 E. Court St. Room 1002, Cincinnati, Ohio 45202. Contact person is Susan Walsh at 513-946-8235 or susan.walsh@hamilton-co.org.**
- (9) Projected Start Date: **October 1, 2008.**
- (10) Projected End Date: **March, 2014.**
- (11) Specific Activity Requirements:
For acquisition activities, include:
- discount rate
- For financing activities, include:
- range of interest rates

For housing related activities, include:

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

Not applicable

CERTIFICATIONS

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

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

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

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

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

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

Signature/Authorized Official

Date

Title

NSP Substantial Amendment Checklist

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

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): Hamilton County, Ohio Lead Agency Jurisdiction Web Address: www.hamilton-co.org/commdev (URL where NSP Substantial Amendment materials are posted)	NSP Contact Person: Susan Walsh Address: 138 E. Court St. Room 1002 Telephone: 513-946-8235 Fax: 513-946-8240 Email: susan.walsh@hamilton-co.org
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

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

Yes No . Verification found on page ____.

B. DISTRIBUTION AND USES OF FUNDS

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

Yes No . Verification found on page ____.

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

C. DEFINITIONS AND DESCRIPTIONS

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

- a definition of “blighted structure” in the context of state or local law,
 Yes No . Verification found on page ____.
- a definition of “affordable rents,”
 Yes No . Verification found on page ____.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,
 Yes No . Verification found on page ____.

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

Yes No . Verification found on page _____.

D. LOW INCOME TARGETING

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

Yes No . Verification found on page _____.

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

Yes No . Verification found on page _____.
Amount budgeted = \$_____.

E. ACQUISITIONS & RELOCATION

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

Yes No . (If no, continue to next heading)
Verification found on page _____.

If so, does the substantial amendment include:

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

Yes No . Verification found on page _____.

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

Yes No . Verification found on page _____.

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

Yes No . Verification found on page _____.

F. PUBLIC COMMENT PERIOD

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

Yes No . Verification found on page _____.

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

Yes No Verification found on page _____.

G. INFORMATION BY ACTIVITY

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

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

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

H. CERTIFICATIONS

The following certifications are complete and accurate:

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