



## Cook County, Illinois

### Substantial Amendment to the 2008 Annual Action Plan

Jurisdiction:	Cook County, Illinois Department of Planning and Development (DPD)	NSP Contact Person:	Melissa Williams, NSP Program Manager
		Address:	69 W. Washington St. Suite 2900 Chicago, IL 60602-3007
Web Address:	<a href="http://www.cookcounty.gov">http://www.cookcounty.gov</a>	Telephone: Fax:	(312) 603-1000 (312) 603-9970
Pages:	24	Email:	<a href="mailto:mlwilliams@cookcountygov.com">mlwilliams@cookcountygov.com</a>

Cook County proposes the following amendment to the 2008 Annual Action Plan in order to satisfy 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). The purpose of the NSP is to assist communities that have been or are likely to be affected by foreclosed and abandoned properties, while providing affordable rental and homeownership opportunities to households at or below 120% of Area Median Income (AMI) in areas of greatest need. The Cook County Department of Planning and Development (DPD) have been allocated \$28,156,321 in NSP funding by HUD. Funds are to be used to stabilize neighborhoods that have been determined to have high vacancy and foreclosure rates, and or a high percentage of homes at risk of foreclosure. Cook County will use HUD developed foreclosure and abandonment data to determine and give priority emphasis to municipalities with greatest need. Cook County plans to enter into NSP agreements with municipalities, non-profit and pre-qualified developer organizations to coordinate NSP activities and implementation of reclamation and stabilization strategies, as well as leveraging existing CDBG and HOME projects underway in targeted neighborhoods.

**DISCLAIMER:**

*A foreclosure rate threshold of 7.0% or greater was selected to help prioritize areas of greatest need within the County's 127 municipalities. Updated pre-foreclosure, auction and bank-owned property data indicate that areas of greatest need within municipalities will change throughout the life of the NSP program. Requests for NSP funding will be accepted from all municipalities and evaluated on a project-by-project basis using the actual number of foreclosed upon and vacant/abandoned properties in a specific census tract-block group, as well as the HUD-developed foreclosure rate, to prioritize areas of greatest need within the County.*

## **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:**

The areas of greatest need for targeting NSP funds were determined by reviewing the HUD developed foreclosure abandonment (F/C\_Aband) risk scores and problem foreclosure (F/C) rates for each census tract-block group (CT/BG) in the 127 Cook County municipalities. The 57 municipalities listed in the table below, ranked by geographic region, are the areas of greatest need based on a foreclosure abandonment risk score of between 10 and 8 and a foreclosure rate  $\geq 7.0\%$ . The F/C rate of 7.0% or greater was selected solely to prioritize CT/BGs as areas of greatest need and is only one of the factors used to evaluate a request for NSP funding. For example: Table 1 shows that the Chicago Heights municipality is also a CDBG entitlement located in the South region and has a total of 26 individual CT/BGs. 19 of the 26 CT/BGs have a foreclosure abandonment risk score of (10). A CT/BG (829000-2) has the highest foreclosure rate of 15.6% and 26 of 26 CT/BGs have a foreclosure rate  $\geq 7.0\%$ . All CDBG entitlements (less Cicero and Elgin) that did not receive a direct NSP allocation and did not meet the foreclosure abandonment risk score (10 - 8) and foreclosure rate ( $\geq 7.0\%$ ) thresholds were included based on updated foreclosure data and capacity to undertake NSP activities in their neighborhoods.

Note: The F/C rate of 7.0% or greater was selected solely to prioritize CT/BGs within municipalities as areas of greatest need and is only one of the factors used to evaluate a request for NSP funding.

**TABLE 1: Municipalities with Foreclosure Abandonment Risk Scores of 10-8 & Foreclosure Rates  $\geq$  7.0%.**

Municipality	Region	Total # CT/BG	# of CT/BG with F/C_Aband Risk Score (10-8)	Highest F/C Rate (# CT/BG with F/C Rate $\geq$ 7.0%)
Chicago Heights (CDBG)	South	26	19 (10)	15.6% (26)
Harvey	South	23	23 (10)	14.5% (23)
Calumet City	South	31	27 (10)	13.6% (31)
Dolton Village	South	20	19 (10)	13.4% (20)
Markham	South	11	11 (10)	13.0% (11)
Riverdale	South	11	11 (10)	12.3% (11)
Sauk Village	South	11	11 (10)	12.1% (11)
Ford Heights	South	4	4 (10)	12.1% (4)
Hazel Crest	South	9	9 (10)	12.0% (9)
Phoenix	South	4	4 (10)	11.9% (4)
South Holland	South	18	16 (10)	11.9% (18)
Country Club Hills	South	12	4 (10)	11.9% (12)
Park Forest	South	13	12 (10)	11.4% (13)
Robbins	South	7	6 (10)	11.4% (6)
Blue Island	South	20	16 (10)	11.4% (20)
Matteson	South	9	2 (10)	11.0% (9)
Dixmoor	South	4	4 (10)	10.8% (4)
Posen	South	4	4 (10)	10.8% (4)
Burnham	South	3	3 (10)	10.7% (3)
Glenwood	South	7	3 (9)	10.4% (7)
Richton Park	South	4	2 (10)	10.3% (4)
Lynwood	South	6	5 (10)	10.0% (6)
Lansing	South	23	14 (9)	9.6% (23)
Homewood	South	10	2 (10)	9.6% (3)
South Chicago	South	4	4 (10)	9.3% (4)
Steger	South	4	4 (10)	9.3% (4)
Olympia Fields	South	1	1 (8)	8.8% (1)
East Hazel Crest	South	2	1 (10)	8.2% (1)
Thornton	South	2	2 (8)	8.1% (2)
Midlothian	South	12	3 (10)	7.9% (6)
Maywood	West	20	20 (10)	12.5% (20)
Bellwood	West	16	12 (10)	10.4% (16)
Broadview	West	7	5 (9)	9.6% (7)
Stone Park	West	4	3 (10)	8.8% (4)
Berwyn (CDBG)	West	45	20 (9)	8.6% (32)
Summit	West	9	4 (10)	8.2% (4)
Melrose Park	West	23	8 (9)	8.0% (14)
Hillside	West	10	5 (9)	7.8% (5)
Berkeley	West	3	3 (9)	7.4% (3)
Northlake	West	16	13 (8)	7.3% (9)
Franklin Park	West	20	1 (9)	7.3% (1)
Stickney	West	4	4 (9)	7.1% (4)
North Riverside	West	7	2 (8)	7.1% (2)
Oak Park (CDBG)	West	25	5 (6)	4.0% (0)
Evanston (CDBG)	North	28	4 (10)	8.2% (4)
Streamwood	North	19	5 (9)	7.0% (5)
Des Plaines (CDBG)	North	36	13 (7)	5.8% (0)
Skokie (CDBG)	North	30	12 (6)	4.4% (0)
Alsip	Southwest	16	1 (9)	8.2% (9)
Evergreen Park	Southwest	17	4 (9)	7.8% (4)
Oak Lawn (CDBG)	Southwest	43	11 (8)	6.4% (0)
Hanover Park	Northwest	16	8 (9)	7.0% (2)
Schaumburg (CDBG)	Northwest	27	1 (9)	6.4% (0)
Palatine (CDBG)	Northwest	20	6 (8)	6.1% (0)
Hoffman Estates (CDBG)	Northwest	19	6 (8)	5.6% (0)
Arlington Heights (CDBG)	Northwest	20	2 (8)	5.4% (0)
Mount Prospect (CDBG)	Northwest	25	12 (6)	4.1% (0)

## 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:

All Cook County municipalities and current CDBG and HOME affordable housing partners including non-profits and pre-qualified developers are eligible to participate in the following proposed NSP activities:

- Purchase and Rehabilitation of residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties
- Demolition of blighted structures
- Redevelopment of demolished or vacant properties

The Department will perform an analysis of all projects recommended for NSP funding and approve and distribute NSP funds on a project by project basis with priority given to those projects located in census tract-block groups or target areas listed in Table 1. As with PY 2008 CDBG and HOME projects, funding will follow need and there is no attempt to choose projects on regions although the South region continues to demonstrate the greatest needs. The actual number and availability of foreclosed properties and individual ranking by risk score and foreclosure rate of census tract-block groups will change and municipalities may be added or deleted from Table 1. Tables 2 – 4 in Appendix A reflect this dynamic situation and provide additional foreclosure data that will be used to continually update and distribute funds to those municipalities and census tract-block groups with the greatest need based on the following three stipulated need categories:

- Greatest percentage of home foreclosures;
- Highest percentage of homes financed by a subprime mortgage related loan; and
- Areas identified as most likely to face a significant rise in the rate of home foreclosures.

### Percentage of Foreclosures

The Department analyzed the HUD developed foreclosure rate data and established a foreclosure rate of 7.0% or higher in determining which areas to prioritize. RealtyTrac® pre-foreclosure, auction and bank owned data for each municipality was also reviewed to determine the actual number of properties the foreclosure rate data represented. This included the 9 of 12 CDBG entitlement municipalities (Oak Park, Des Plaines, Skokie, Oak Lawn, Schaumburg, Palatine, Hoffman Estates, Arlington Heights and Mount Prospect) that were added although they did not meet the foreclosure rate threshold of 7.0%. The number of pre-closure, auction and bank owned properties ranged from a low of 281 for Mount Prospect (outranking 27 of the 57 municipalities) to a high of 717 for Des Plaines. See TABLE 2 – Areas with Greatest Percentage of Home Foreclosures in Appendix A.

### Subprime (High Cost) Loans

The Department used HOME Mortgage Disclosure Act (HMDA) data provided by HUD to determine those census tract-block groups or areas that contained the highest percentage of homes financed by a subprime mortgage loan. The Department analyzed the data and established a minimum high cost loan rate of 50% or higher in determining which areas to prioritize. It is noted that 19 of the 57 municipalities in Table 1, excluding all CDBG entitlement municipalities, had foreclosure rates of 7.0% or higher and a high cost loan rate lower than 50%. See TABLE 3 - Areas with Highest Percentage of Homes Financed by a Subprime Mortgage in Appendix A.

### Areas at Risk

The Department used HUD developed foreclosure rate data of 7.0% or higher to rank the municipalities with the areas of greatest need. RealtyTrac® pre-foreclosure data was also reviewed to determine those areas that will likely face a significant rise in the foreclosure rate and actual number of home foreclosures. Municipalities, non-profits and pre-qualified developers will serve as the primary sources for continuously updating areas of greatest need by the three need categories through the initial requests for information that will be distributed with the NSP Amendment public notice and ongoing submission of project requests for NSP funding. See TABLE 4 - Areas Likely to Face a Significant Rise in the Rate of Home Foreclosures in Appendix A.

## C. Definitions and Descriptions

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

#### Response:

A “*blighted structure*” is any structure unfit for use, habitation, or dangerous to persons or other property. In addition, a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. This includes structures showing evidence of physical decay or neglect, excessive use, or lack of maintenance. Characteristics may also include any nuisance conditions including but not limited to:

Any “Nuisance” as defined by law, or

(a) Any residential property that poses a public nuisance which may be detrimental to the health or safety of children whether in a building, on the premises of a building, or upon an unoccupied lot. This includes, but is not limited to: abandoned wells, shafts, basements, excavations, unclean swimming pools or spas, abandoned iceboxes, refrigerators, motor vehicles, and any structurally unsound fences or structures, lumber, trash, fences, or debris which may prove a hazard for inquisitive minors;

(b) Unsanitary conditions or anything offensive to the senses or dangerous to health including, but not limited to, the emission of odors, sewage, human waste, liquids, gases, dust, smoke, vibration or noise, or whatever may render air, food, or drink detrimental to the health of human beings;

(c) Physical conditions such as, but not limited to, old, dilapidated, abandoned: scrap or metal, paper, building materials and equipment, bottles, glass, appliances, furniture, rags, rubber, motor vehicles, and parts thereof; or

(d) Physical conditions posing fire hazards,

(e) Physical conditions posing a hazard such as but not limited to dead or damaged trees.

**(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:

For the purposes of the NSP Program, Cook County will establish three definitions of “*Affordable rents*” to determine the maximum allowable rent for NSP-assisted units. These rent levels include utilities. If the tenant pays utilities, a utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent. Utility allowances shall be calculated as they are currently calculated for Cook County HOME Rental Housing projects. The County will review and approve the rents charged on an annual basis. The rent limits shall be updated by HUD on an annual basis, and distributed by Cook County to all owners and property managers.

- **Low Income (Set-aside):** For NSP-assisted units designated as Set-aside units (those occupied by households earning less than 50% of the area median income), rents shall not exceed the limits established by the HOME Investment Partnerships Program for very low-income families (24 CFR Part 92.252(b)), otherwise known as “low HOME rents”.
- **Moderate Income:** For NSP-assisted units occupied by households earning between 51 and 80% of the area median income, rents shall not exceed the maximum limits established by the HOME Investment Partnerships Program (24 CFR Part 92.252(a)), otherwise known as “high HOME rents”.
- **Middle Income:** For NSP-assisted units occupied by households earning between 81 and 120% of the area median income, rents shall not exceed 110% of Fair Market Rents (FMR) for comparable units in the area as established by HUD under 24 CFR 888.111.

Income Level	% AMI	Size of Unit by Bedroom Count						
		Efficiency	1	2	3	4	5	6
Low (Set-aside)	0 - 50%	660	706	848	980	1,093	1,206	1,319
Moderate	51 - 80%	781	893	1,004	1,226	1,364	1,486	1,609
Middle	81 - 120%	859	982	1,104	1,349	1,524	1,752	1,981

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

**Response:**

All NSP-assisted housing units will be subject to the following minimum affordability restrictions. The affordability period is determined on the amount of NSP Program assistance on a per unit basis. For the units that undergo reconstruction (replacement of an existing unit with a new, comparable unit), the affordability period will be 20 years.

- Under \$15,000 = 5 Years
- \$15,000 - \$40,000 = 10 Years
- Over \$40,000 = 15 Years
- New Construction/Reconstruction = 20 Years

The County may elect to require longer affordability periods on a project by project basis subject to community need. Cook County will ensure these long term affordability restrictions through the use of a mortgage that will be recorded against the property title. If an owner who has been assisted through this program for the development of rental housing transfers title of the property before the affordability period expires, the deed restrictions related to income targeting, occupancy and property conditions will remain in full force and effect until the term of the affordability has expired.

If a homebuyer receives assistance through this program, such assistance provided by the County will be subject to recapture in the event that a transfer of title occurs, sale of the property, or failure of the homebuyer to maintain the unit as their principal residence.

The following affordability period restrictions shall apply to each NSP homebuyer assisted-unit, except as otherwise approved by COUNTY in writing:

**Affordability Period, Restrictions and Recapture Provisions**

Amount of Grant or Loan	Affordability Period	Terms	Recapture Back to Cook County
Under \$15,000 per unit	Homebuyer: 5 years	Nothing is forgiven Years 1-5. 100% due back if homebuyer fails to maintain as principal residence, sells or transfers title within first 5 years	100% due; all is forgiven after year 5
\$15,000 to \$39,999 per unit	Homebuyer: 10 years	Nothing is forgiven Years 1-5. 100% due back if homebuyer fails to maintain as principal residence, sells or transfers title within first 5 years. Partial forgiveness after year 5	100% due; year 1 to 5 , beginning year 6, 20% of balance is forgiven per year, all is forgiven after year 10
\$40,000 + per unit	Homebuyer: 15 years	Nothing is forgiven Years 1-10. 100% due back if homebuyer fails to maintain as principal residence, sells or transfers title within first 10 years. Partial forgiveness	100% due; year 1 to 10 , beginning year 11, 20% of balance is forgiven per year, all is forgiven after year15

		after year 10	
Any amount for new construction or reconstruction	Homebuyer: 20 years	Nothing is forgiven Years 1-10. 100% due back if homebuyer fails to maintain as principal residence, sells or transfers title within first 10 years. Partial forgiveness after year 10	100% due; year 1 to 10 , beginning year 11, 10% of balance is forgiven per year, all is forgiven after year 20

The County will establish the actual amount of the assistance originally provided to the homebuyer to be “recaptured” (repayment based on the above detailed forgiveness schedule) based on the availability of “net proceeds”. Net proceeds are hereby defined as “any amount remaining after the sale price minus any superior loan or lien repayment has been made and reasonable seller closing costs have been deducted”.

Throughout the affordability period, the County will monitor NSP-assisted rental units to ensure that the units are affordable and that the property(s) continue to meet minimum housing quality standards. For NSP-assisted homebuyer units, the County will monitor to ensure that the assisted household retains property as their principal residence.

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

**Response:**

All rehabilitated properties shall, upon completion of the rehabilitation, comply with the minimum requirements of the *International Property Maintenance Code*, 2003 Edition, Chapters 2 through 8, or the corresponding chapters of the version of the Property Maintenance Code in force in the jurisdiction in which the property is located. Provisions of the Cook County housing rehabilitation standards shall supersede the Property Maintenance Code where more stringent, or protective, or in disallowance of work as ineligible. At no time shall a standard, specification or code be permitted that is less stringent than the minimum property standard hereby adopted for Cook County’s NSP Program.

- 1) The International Property Maintenance Code, 2003 (IPMC)
- 2) Applicable codes of the local jurisdiction (only if more prescriptive than the above referenced International maintenance or property codes)
- 3) Manufacturer’s Standards and Installation Instructions
- 4) Residential Construction Performance Guidelines for Professional Builders and Remodelers
- 5) The Cook County Material and Workmanship Standards
- 6) Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings
- 7) Regulation on Lead-Based Paint Hazards in Federally-Owned Housing and Housing Receiving Federal Assistance, and the EPA Renovation, Repair and Painting Program Final Rule
- 8) Residential Remodeling and Universal Design: Making Homes More Comfortable and Accessible
- 9) Uniform Federal Accessibility Standards (UFAS)

Substandard dwellings that cannot be brought into compliance with the Cook County housing rehabilitation standards and applicable code requirements shall be deemed not suitable for rehabilitation and shall not be rehabilitated. If the cost of rehabilitation exceeds 50% of the appraised market value of the property, the property may be a candidate for demolition and reconstruction.

Reconstructed property shall be subject to property standards established by the Cook County NSP Program for new construction of residential units.

Each item of work conducted under the Cook County NSP Program shall contribute to one or more of the following priorities, and items that do not contribute to one or more of the following priorities shall not be done. Conditions, the addressing of which contribute to achieving the following, shall be or should be considered to be substandard conditions, depending upon their seriousness and status of compliance with the applicable codes, standards and guidelines.

**PRIORITIES:**

1. Meet all applicable code requirements
2. Protect health and safety of occupants and make the unit a “Healthy Home”
3. Control or eliminate lead hazards
4. Improve or maintain affordability
5. Improve comfort, livability, basic privacy and accessibility
6. Protect and extend the life expectancy of the dwelling
7. Provide critical storage, work or living space
8. Adhere to the principles of green building
9. Improve the appearance (street presence) of the property
10. Improve marketability of the property

**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: *Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.*

**Response:**

The County estimates that \$11,151,000 in NSP funds, 40% of its allocation, will be used for the purchase and rehabilitation or redevelopment of abandoned or foreclosed upon units to create housing for households earning up to 50 percent of area median income. In any event not less than 25% of funds will be used for housing individuals and families whose incomes are at or less than 50 percent of area median income. These funds can be used to create either affordable rental or homeownership units.

The following table identifies the estimated amount of NSP funds to be used to purchase, rehabilitate, resell or rent abandoned or foreclosed upon homes for housing individuals or families whose incomes do not exceed 50 percent of area median income. These estimates may change slightly based on the properties purchased and the households who ultimately occupy the NSP-assisted units:

Activity	Low Income Households	NSP Funds Allocated
Purchase and Rehabilitation (Homeownership)	20	\$3,494,750
Purchase and Rehabilitation (Rental Housing)	87	\$7,656,250
Totals	107	\$11,151,000

It is anticipated that the majority of the funds set aside for households at or below 50% of AMI will be for rental housing. Any housing partner (non-profit or pre-qualified developer) proposing to do rental types of activities must have a proven track record in rental property management.

The County may provide other incentives for housing partners to assist special needs populations and who design creative mechanisms or programs to provide homeownership opportunities to low income households.

In the event that a single family housing unit does not sell in within a specified time (i.e., 6 months) to be identified in the NSP agreement, the County will require the unit be rented to an income eligible household.

## 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:

ACQUISITIONS: As part of the acquisition process of foreclosed homes, if the cost to rehabilitate the unit is greater than fifty percent (50%) of the market value, the County will evaluate the property to determine if demolition is an option. If demolition is the most viable option, the County will consider the use of NSP Funds for the reconstruction of the unit or redevelopment of the property.

The County reasonably expects to demolish 69 units based on the information received from its developers and subrecipients.

In order to meet the federal requirement that the average purchase price of all foreclosed housing units acquired equals 1% below appraised value, all properties purchased with NSP funds will be priced at least 1% below current appraised value.

The County reasonably expects to produce and make available the following number of NSP affordable housing units to low-, moderate-, and middle-income households (i.e.,  $\leq 120\%$  of area median income) by activity and income level. These estimates may change based on, market conditions regarding availability of foreclosed units, the price of the properties purchased, and the households who ultimately occupy the NSP-assisted units.

Activity	Low Income	Moderate Income	Middle Income	Total Units
Purchase and Rehabilitation – Rental	87			87
Purchase and Rehabilitation – Owner	20	20	24	64
Redevelopment – Rental	30	7		37
Redevelopment – Owner		10	10	20
Total	137	37	34	208

It is anticipated that the acquisition process will begin in February 2009 followed by the rehabilitation or demolition, and redevelopment assistance as proposed for NSP projects selected throughout the year. The NSP project will be considered completed upon: transfer of property to an eligible homeowner, when the unit is rented to an income eligible tenant, or project closeout activities have been completed. Funding for selected NSP projects are expected to be committed by July 2010 and project activities must be completed by July 2013.

RELOCATION: All NSP-funded acquisitions of real property that have been foreclosed upon or are vacant or abandoned, are **voluntary acquisitions** and are exempt from Section 301 of the URA. Cook County's existing policy on real property acquisition states that "regardless of funding source the County will not fund any acquisition which requires relocation"; and, to minimize displacement, "no acquisition project shall be funded which requires any business or household to be relocated from the proposed acquisition site". Cook County will notify the owner in writing of the property's market value and the discounted value offered; notify the owner prior to making an offer that it will not acquire the property if an amicable settlement cannot be reached; and will not acquire the property if tenants are displaced. The County's Residential Anti-displacement and Relocation Assistance Plan and sets forth the policy for minimizing displacement and providing relocation assistance to persons involuntarily and permanently displaced by CDBG activities; the Plan will apply by reference in the NSP agreement.

## F. Public Comment

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

### Response:

To date, no comments have been received by the County on the April 2010 amendment.

## G. NSP Information by Activity (Complete for each activity)

Cook County proposes the following programs and activities to implement NSP initiatives and expend NSP funds. Cook County recognizes that projected "budget information" presented in each activity form may differ from the actual allocation of NSP funding levels for each activity and the distribution of funds reflected in the housing partners' NSP agreements as NSP activity processes are refined and partnerships are identified and established. Therefore, redistribution of funding levels between Activities #1 through #4, described in this section, shall not be considered a change to this Amendment.

Cook County will solicit feedback on target properties from surrounding municipalities in support of this effort. Cook County is working to incorporate green building and energy efficiency initiatives in all NSP funded rehabilitation and redevelopment projects.

Cook County proposes to implement the following NSP programs and activities:

1. Purchase and Rehabilitation of residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties to be occupied by households with income that does not exceed 50% of area median.
2. Purchase and Rehabilitation of residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties to be occupied by households with income between 51% and 120% of area median.
3. Demolition of blighted structures in priority target areas
4. Redevelopment of demolished or vacant properties with residential housing units or public facilities serving priority target areas
5. NSP Planning and Administration

All NSP programs and activities are administered by the Department of Planning and Development (the Department). The following guidelines are proposed to implement the County-wide NSP programs and activities across the traditional 5 Cook County geographic regions and leverage the existing CDBG and HOME program capacity, resources and experience of the 127 municipalities and non-profit and pre-qualified developer housing partners.

- All Cook County CDBG entitlements (less Cicero and Elgin), subrecipients and pre-qualified developers may conduct NSP activities as described in their NSP agreements and within the funding levels established therein.
- Any municipality, non-profit or developer may initiate a request for NSP project funding; the municipality in which the proposed project is located must approve the project request for funding.
- Project funding will be distributed on the basis of census tracts-block groups or areas of greatest need within municipalities as prioritized in Table 1 above, or subsequent quarterly updates to Table 1.
- Project funding requests solely for the acquisition of foreclosed upon or vacant/abandoned properties will not be accepted; project funding requests must include planned disposition or use of property(s).
- Prospective homebuyers will be required to complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency. The County will provide funding to counseling agencies to provide this service.

- Any program income generated and received as a result of NSP-funded activities will be administered in accordance with NSP Regulations Section II. N.
- The activity descriptions below may be subject to change pending receipt and incorporation of public comments. The NSP funding levels (budgets) are for planning purposes and are subject to changes as projects are funded throughout the life of the NSP program. The County reserves the right to reallocate funding from one activity to another as additional areas of greatest needs and eligible properties are identified and such reallocation of funds from one activity to another shall not be considered a Substantial Amendment to the Action Plan.

## NSP Budget

#	NSP Activity	50% & Below AMI	51-80% AMI	81-120% AMI	Total
1	Purchase & Rehabilitation 0 – 50% AMI				\$11,151,000
2	Purchase & Rehabilitation 51 – 120% AMI				\$8,509,310
3	Demolition				\$1,129,000
4	Redevelopment				\$4,336,750
5	Planning and Administration				\$2,815,632
	Total				\$28,156,321

**ACTIVITY #1: *Purchase-Rehabilitation of Foreclosed and Abandoned Residential Properties serving households 0 to 50% Area Median Income***

Activity Type: NSP eligible use: 2301(c)(3)(B) – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. CDBG eligible activity: 24 CFR 570.201(a) Acquisition, (e) Public services for housing counseling, (i) Relocation, 570.202 Rehabilitation, and 570.201(b) Disposition.

National Objective: Low-Mod-Middle Income Housing (LMMH) – Provides or improves residential structures that will be occupied by a household whose income is at or below fifty percent (50%) of area median income.

Projected Start Date: March 1, 2010

Projected End Date: July 30, 2013

Responsible Organization: Cook County Department of Planning and Development

Contact: Melissa Williams Phone: (312) 603-1000

Email: [mlwilliams@cookcountygov.com](mailto:mlwilliams@cookcountygov.com)

Location Description: Foreclosures throughout the areas of greatest need. Specific addresses have yet to be determined. See Table 1 in Section A (page 3) and Appendix A, Tables 2-4 for number of CT/BGs and Appendix B for specific census tract and block group in each municipality.

Activity Description: The County and its subrecipients and developers will purchase and rehabilitate foreclosed homes and properties in target areas. Homes will be bought at a minimum discount of one percent below the appraised value. Affordability periods will be based on those of the HOME Program found at 24 CFR 92.254, however for newly constructed units, either reconstruction or infill development, the affordability period will be twenty (20) years. All NSP-assisted units will be sold or rented to households earning less than 50% of the area median income. It is estimated that \$11,151,000 of these funds will be used for units occupied by households earning less than 50% of the area median income.

Total Budget: \$11,151,000

<u>Performance Measures</u>	Rental: At or below 50% income	87 units
	Owner: At or below 50% income	20 units
	TOTAL	107 units

**ACTIVITY #2: *Purchase-Rehabilitation of Foreclosed and Abandoned Residential Properties serving households 51% to 120% Area Median Income***

Activity Type: NSP eligible use: 2301(c)(3)(B) – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. CDBG eligible activity: 24 CFR 570.201(a) Acquisition, (e) Public services for housing counseling, (i) Relocation, 570.202 Rehabilitation, and 570.201(b) Disposition.

National Objective: Low-Mod-Middle Income Housing (LMMH) – Provides or improves residential structures that will be occupied by a household whose income are between fifty-one percent (51%) and one hundred and twenty percent (120%) of area median income.

Projected Start Date: March 1, 2010

Projected End Date: July 30, 2013

Responsible Organization: Cook County Department of Planning and Development

Contact: Melissa Williams Phone: (312) 603-1000

Email: [mlwilliams@cookcountygov.com](mailto:mlwilliams@cookcountygov.com)

Location Description: Foreclosures throughout the areas of greatest need. Specific addresses have yet to be determined. See Table 1 in Section A (page 3) and Appendix A, Tables 2-4 for number of CT/BGs and Appendix B for specific census tract and block group in each municipality.

Activity Description: The County and its subrecipients and developers will purchase and rehabilitate foreclosed homes and properties in target areas. Homes will be bought at a minimum discount of one percent below the appraised value. Affordability periods will be based on those of the HOME Program found at 24 CFR 92.254, however for newly constructed units, either reconstruction or infill development, the affordability period will be twenty (20) years. All NSP-assisted units will be sold or rented to households earning between 51% and 120% of the area median income. It is estimated that \$8,509,310 of these funds will be used for units occupied by households under this activity.

Total Budget: \$8,509,310

<u>Performance Measures</u>	Rental: At or below 51-120% income	0 units
	Owner: At or below 51-120% income	44 units
	TOTAL	44 units

**ACTIVITY #3: Demolition of Blighted Structures**

Activity Type: NSP eligible use: 2301(c)(3)(D) demolish blighted structures. CDBG eligible activity: 24 CFR 570.201(d) Clearance for blighted structures only.

National Objective: Low-Mod-Middle Income Area (LMMA) – Serves an area in which at least 51 percent of the residents have incomes at or below 120 percent of area median income.

Projected Start Date: March 1, 2010

Projected End Date: July 30, 2013

Responsible Organization: Cook County Department of Planning and Development

Contact: Melissa Williams Phone: (312) 603-1000

Email: [mlwilliams@cookcountygov.com](mailto:mlwilliams@cookcountygov.com)

Location Description: Blighted structures throughout the areas of greatest need. Specific addresses have yet to be determined. See Table 1 in Section A (page 3) and Appendix A, Tables 2-4 for number of CT/BGs and Appendix B for specific census tract and block group in each municipality.

Activity Description: The County and its subrecipients will demolish and clear structures that meet the definition of blighted included in this submission. After clearance, some properties may be redeveloped or land-banked in conjunction with other NSP-assisted activities.

Total Budget: NSP Funds: \$1,129,000

Performance Measures  
Demolition  
Blighted Structures 69 units

**ACTIVITY #4:**

**Redevelopment**

Activity Type: NSP eligible use: 2301(c)(3)(E) redevelop demolished or vacant properties. CDBG eligible activity: 24 CFR 570.201(a) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, (i) Relocation, and (n) Direct homeownership assistance.

National Objective(s): Low-Mod-Middle Income Housing (LMMH) – Provides or improves residential structures that will be occupied by a household whose income is at or below 120 percent of area median income;  
Low-Mod-Middle Income Area (LMMA) – Serves an area in which at least 51 percent of the residents have incomes at or below 120 percent of area median income; AND  
Low-Mod-Middle Income Limited Clientele (LMMLC) – Serves at least 51 percent of participants who access services or programs who have income at or below 120% area median income.

Projected Start Date: March 1, 2010

Projected End Date: July 30, 2013

Responsible Organization: Cook County Department of Planning and Development  
Contact: Melissa Williams Phone: (312) 603-1000  
Email: [mlwilliams@cookcountygov.com](mailto:mlwilliams@cookcountygov.com)

Location Description: Properties throughout the areas of greatest need. Specific addresses have yet to be determined. See Table 1 in Section A (page 3) and Appendix A, Tables 2-4 for number of CT/BGs and Appendix B for specific census tract and block group in each municipality.

Activity Description: The County and its subrecipients and developers will use NSP funds to purchase and redevelop vacant and abandoned properties. Properties will be developed into new affordable housing and, in some instances, public facilities that provide services to the redeveloped areas.

Total Budget: NSP Funds: \$4,336,750

<u>Performance Measures</u>	Rental: At or below 50% income	30 units
	Rental: 51 to 80% income	7 units
	Rental: 80 to 120% income	0 units
	Owner: At or below 50% income	0 units
	Owner: 51 to 80% income	10 units
	Owner: 80 to 120% income	10 units
	Total Housing Units	57 units
	Facilities	3 facilities

**ACTIVITY #5:**

***Planning and Administration***

Activity Type: CDBG eligible activity: 24 CFR 570.206 General Planning and Administration.

National Objective: Not Applicable for Administration

Projected Start Date: June 1, 2008

Projected End Date: July 30, 2013

Responsible Organization: Cook County Department of Planning and Development

Contact: Melissa Williams Phone: (312) 603-1000

Email: [mlwilliams@cookcountygov.com](mailto:mlwilliams@cookcountygov.com)

Location Description: Not Applicable.

Activity Description: NSP funds will be used to pay reasonable program administration costs related to the planning and execution of the activities listed above. This includes costs related to staffing for overall program management, coordination, monitoring, reporting, and direct and indirect charges. The County will also charge any pre-award costs incurred as part of the preparation of the Substantial Amendment to the Planning and Administration portion of the grant. All activity delivery costs such as appraisals, title searches and title insurance, environmental assessments, inspections, development fees, engineering studies and mitigation, market analysis, credit underwriting reports, and associated permits, will be charged to each individual project.

Total Budget: NSP Funds: \$2,815,632

Performance Measures Not Applicable

## Appendix A: Data Tables

### **TABLE 2 – Areas with Greatest Percentage of Home Foreclosures**

The Department analyzed the HUD developed foreclosure rate data and established a foreclosure rate of 7.0% or higher in determining which areas to prioritize. RealtyTrac® pre-foreclosure, auction and bank owned data for each municipality was also reviewed to determine the actual number of properties the foreclosure rate data represented. This included the 9 of 12 CDBG entitlement municipalities (Oak Park, Des Plaines, Skokie, Oak Lawn, Schaumburg, Palatine, Hoffman Estates, Arlington Heights and Mount Prospect) that were added although they did not meet the foreclosure rate threshold of 7.0%. The number of pre-closure, auction and bank owned properties ranged from a low of 281 for Mount Prospect (outranking 27 of the 57 municipalities) to a high of 717 for Des Plaines.

### **TABLE 3 - Areas with Highest Percentage of Homes Financed by a Subprime Mortgage**

The Department used HOME Mortgage Disclosure Act (HMDA) data provided by HUD to determine those census tract-block groups or areas that contained the highest percentage of homes financed by a subprime mortgage loan. The Department analyzed the data and established a minimum high cost loan rate of 50% or higher in determining which areas to prioritize. It is noted that 19 of the 57 municipalities in Table 1, excluding all CDBG entitlement municipalities, had foreclosure rates of 7.0% or higher and a high cost loan rate lower than 50%.

### **TABLE 4 - Areas Likely to Face a Significant Rise in the Rate of Home Foreclosures**

The Department used HUD developed foreclosure rate data of 7.0% or higher to rank the municipalities with the areas of greatest need. RealtyTrac® pre-foreclosure data was also reviewed to determine those areas that will likely face a significant rise in the foreclosure rate and actual number of home foreclosures. Municipalities, non-profits and pre-qualified developers will serve as the primary sources for continuously updating areas of greatest need by the three need categories through the initial requests for information that will be distributed with the NSP Amendment public notice and ongoing submission of project requests for NSP funding.

**TABLE 2 – Areas with Greatest Percentage of Home Foreclosures**

Municipality	Region	Total # CT/BG	Highest F/C Rate (# CT/BG with F/C Rate ≥ 7.0%)	# Pre-foreclosure, Auction & Bank Owned Properties*
Chicago Heights (CDBG)	South	26	15.6% (26)	558
Harvey	South	23	14.5% (23)	828
Calumet City	South	31	13.6% (31)	858
Dolton Village	South	20	13.4% (20)	679
Markham	South	11	13.0% (11)	490
Riverdale	South	11	12.3% (11)	373
Sauk Village	South	11	12.1% (11)	309
Ford Heights	South	4	12.1% (4)	27
Hazel Crest	South	9	12.0% (9)	426
Phoenix	South	4	11.9% (4)	47
South Holland	South	18	11.9% (18)	548
Country Club Hills	South	12	11.9% (12)	527
Park Forest	South	13	11.4% (13)	487
Robbins	South	7	11.4% (6)	53
Blue Island	South	20	11.4% (20)	194
Matteson	South	9	11.0% (9)	442
487Dixmoor	South	4	10.8% (4)	49
Posen	South	4	10.8% (4)	93
Burnham	South	3	10.7% (3)	53
Glenwood	South	7	10.4% (7)	173
Richton Park	South	4	10.3% (4)	364
Lynwood	South	6	10.0% (6)	158
Lansing	South	23	9.6% (23)	389
Homewood	South	10	9.6% (3)	216
South Chicago	South	4	9.3% (4)	0
Steger	South	4	9.3% (4)	130
Olympia Fields	South	1	8.8% (1)	98
East Hazel Crest	South	2	8.2% (1)	0
Thornton	South	2	8.1% (2)	31
Midlothian	South	12	7.9% (6)	165
Maywood	West	20	12.5% (20)	457
Bellwood	West	16	10.4% (16)	356
Broadview	West	7	9.6% (7)	122
Stone Park	West	4	8.8% (4)	46
Berwyn (CDBG)	West	45	8.6% (32)	676
Summit	West	9	8.2% (4)	65
Melrose Park	West	23	8.0% (14)	343
Hillside	West	10	7.8% (5)	89
Berkeley	West	3	7.4% (3)	65
Northlake	West	16	7.3% (9)	157
Franklin Park	West	20	7.3% (1)	192
Stickney	West	4	7.1% (4)	62
North Riverside	West	7	7.1% (2)	12
Oak Park (CDBG)	West	25	4.0% (0)	296
Evanston (CDBG)	North	28	8.2% (4)	368
Streamwood	North	19	7.0% (5)	508
Des Plaines (CDBG)	North	36	5.8% (0)	717
Skokie (CDBG)	North	30	4.4% (0)	391
Alsip	Southwest	16	8.2% (9)	194
Evergreen Park	Southwest	17	7.8% (4)	183
Oak Lawn (CDBG)	Southwest	43	6.4% (0)	388
Hanover Park	Northwest	16	7.0% (2)	506
Schaumburg (CDBG)	Northwest	27	6.4% (0)	378
Palatine (CDBG)	Northwest	20	6.1% (0)	628
Hoffman Estates (CDBG)	Northwest	19	5.6% (0)	348
Arlington Heights (CDBG)	Northwest	20	5.4% (0)	377
Mount Prospect (CDBG)	Northwest	25	4.1% (0)	281

\*RealtyTrac® Pre-foreclosure, Auction & Bank-Owned data; [www.realtytrac.com](http://www.realtytrac.com)

**TABLE 3 - Areas with Highest Percentage of Homes Financed by a Subprime Mortgage**

Municipality	Region	Total # CT/BG	Highest F/C Rate (# CT/BG with F/C Rate ≥ 7.0%)	Hi-Cost Loan Rate (# CT/BG with Loan Rate ≥ 50.0%)
Chicago Heights (CDBG)	South	26	15.6% (26)	84.2% (17)
Harvey	South	23	14.5% (23)	77.2% (23)
Calumet City	South	31	13.6% (31)	71.5% (31)
Dolton Village	South	20	13.4% (20)	70.4% (20)
Markham	South	11	13.0% (11)	74.2% (11)
Riverdale	South	11	12.3% (11)	69.9% (11)
Sauk Village	South	11	12.1% (11)	68.8% (11)
Ford Heights	South	4	12.1% (4)	68.6% (4)
Hazel Crest	South	9	12.0% (9)	68.2% (9)
Phoenix	South	4	11.9% (4)	67.4% (4)
South Holland	South	18	11.9% (18)	67.4% (15)
Country Club Hills	South	12	11.9% (12)	67.1% (7)
Park Forest	South	13	11.4% (13)	61.8% (13)
Robbins	South	7	11.4% (6)	64.1% (6)
Blue Island	South	20	11.4% (20)	64.1% (12)
Matteson	South	9	11.0% (9)	61.8% (4)
Dixmoor	South	4	10.8% (4)	60.7% (4)
Posen	South	4	10.8% (4)	60.7% (4)
Burnham	South	3	10.7% (3)	59.8% (3)
Glenwood	South	7	10.4% (7)	58.4% (6)
Richton Park	South	4	10.3% (4)	57.5% (4)
Lynwood	South	6	10.0% (6)	55.9% (5)
Lansing	South	23	9.6% (23)	52.1% (5)
Homewood	South	10	9.6% (3)	53.2% (1)
South Chicago	South	4	9.3% (4)	51.2% (1)
Steger	South	4	9.3% (4)	51.2% (1)
Olympia Fields	South	1	8.8% (1)	48.2% (0)
East Hazel Crest	South	2	8.2% (1)	44.6% (0)
Thornton	South	2	8.1% (2)	44.0% (0)
Midlothian	South	12	7.9% (6)	42.7% (0)
Maywood	West	20	12.5% (20)	64.6% (17)
Bellwood	West	16	10.4% (16)	58.4% (16)
Broadview	West	7	9.6% (7)	53.1% (5)
Stone Park	West	4	8.8% (4)	48.2% (0)
Berwyn (CDBG)	West	45	8.6% (32)	46.2% (0)
Summit	West	9	8.2% (4)	44.5% (0)
Melrose Park	West	23	8.0% (14)	44.3% (0)
Hillside	West	10	7.8% (5)	42.1% (0)
Berkeley	West	3	7.4% (3)	39.7% (0)
Northlake	West	16	7.3% (9)	39.2% (0)
Franklin Park	West	20	7.3% (1)	38.9% (0)
Stickney	West	4	7.1% (4)	37.9% (0)
North Riverside	West	7	7.1% (2)	37.6% (0)
Oak Park (CDBG)	West	25	4.0% (0)	23.7% (0)
Evanston (CDBG)	North	28	8.2% (4)	48.7% (0)
Streamwood	North	19	7.0% (5)	39.2% (0)
Des Plaines (CDBG)	North	36	5.8% (0)	32.2% (0)
Skokie (CDBG)	North	30	4.4% (0)	24.9% (0)
Alsip	Southwest	16	8.2% (9)	44.3% (0)
Evergreen Park	Southwest	17	7.8% (4)	42.3% (0)
Oak Lawn (CDBG)	Southwest	43	6.4% (0)	33.7% (0)
Hanover Park	Northwest	16	7.0% (2)	39.2% (0)
Schaumburg (CDBG)	Northwest	27	6.4% (0)	37.5% (0)
Palatine (CDBG)	Northwest	20	6.1% (0)	37.4% (0)
Hoffman Estates (CDBG)	Northwest	19	5.6% (0)	32.8% (0)
Arlington Heights (CDBG)	Northwest	20	5.4% (0)	33.1% (0)
Mount Prospect (CDBG)	Northwest	25	4.1% (0)	24.8% (0)

**TABLE 4 - Areas Likely to Face a Significant Rise in the Rate of Home Foreclosures**

Municipality	Region	Total # CT/BG	Highest F/C Rate (# CT/BG with F/C Rate ≥ 7.0%)	Number of Pre-foreclosures as of 10/23/08
Chicago Heights (CDBG)	South	26	15.6% (26)	284
Harvey	South	23	14.5% (23)	408
Calumet City	South	31	13.6% (31)	452
Dolton Village	South	20	13.4% (20)	363
Markham	South	11	13.0% (11)	206
Riverdale	South	11	12.3% (11)	200
Sauk Village	South	11	12.1% (11)	162
Ford Heights	South	4	12.1% (4)	16
Hazel Crest	South	9	12.0% (9)	232
Phoenix	South	4	11.9% (4)	25
South Holland	South	18	11.9% (18)	307
Country Club Hills	South	12	11.9% (12)	286
Park Forest	South	13	11.4% (13)	262
Robbins	South	7	11.4% (6)	25
Blue Island	South	20	11.4% (20)	108
Matteson	South	9	11.0% (9)	244
Dixmoor	South	4	10.8% (4)	29
Posen	South	4	10.8% (4)	46
Burnham	South	3	10.7% (3)	28
Glenwood	South	7	10.4% (7)	109
Richton Park	South	4	10.3% (4)	193
Lynwood	South	6	10.0% (6)	91
Lansing	South	23	9.6% (23)	230
Homewood	South	10	9.6% (3)	117
South Chicago	South	4	9.3% (4)	0
Steger	South	4	9.3% (4)	70
Olympia Fields	South	1	8.8% (1)	55
East Hazel Crest	South	2	8.2% (1)	0
Thornton	South	2	8.1% (2)	19
Midlothian	South	12	7.9% (6)	98
Maywood	West	20	12.5% (20)	238
Bellwood	West	16	10.4% (16)	200
Broadview	West	7	9.6% (7)	76
Stone Park	West	4	8.8% (4)	24
Berwyn (CDBG)	West	45	8.6% (32)	438
Summit	West	9	8.2% (4)	40
Melrose Park	West	23	8.0% (14)	203
Hillside	West	10	7.8% (5)	54
Berkeley	West	3	7.4% (3)	38
Northlake	West	16	7.3% (9)	87
Franklin Park	West	20	7.3% (1)	115
Stickney	West	4	7.1% (4)	33
North Riverside	West	7	7.1% (2)	8
Oak Park (CDBG)	West	25	4.0% (0)	158
Evanston (CDBG)	North	28	8.2% (4)	223
Streamwood	North	19	7.0% (5)	318
Des Plaines (CDBG)	North	36	5.8% (0)	440
Skokie (CDBG)	North	30	4.4% (0)	246
Alsip	Southwest	16	8.2% (9)	114
Evergreen Park	Southwest	17	7.8% (4)	114
Oak Lawn (CDBG)	Southwest	43	6.4% (0)	240
Hanover Park	Northwest	16	7.0% (2)	267
Schaumburg (CDBG)	Northwest	27	6.4% (0)	238
Palatine (CDBG)	Northwest	20	6.1% (0)	325
Hoffman Estates (CDBG)	Northwest	19	5.6% (0)	215
Arlington Heights (CDBG)	Northwest	20	5.4% (0)	224
Mount Prospect (CDBG)	Northwest	25	4.1% (0)	177

RealtyTrac® Pre-foreclosure, Auction & Bank-Owned data; www.realtytrac.com

## Appendix B: Areas of Greatest Need Census Tract, & Block Group

Municipality	Region	Areas of Greatest Need: Specific Census Tract/Block Groups with Risk Score between 10-8 and F/C Rate $\geq$ 7.0%
Chicago Heights (CDBG)	South	829000/1-2; 829401/1; 829302/1-4; 828900/1-3; 829100/1-2; 829200/1-4; 828701/4; 829500/2; 828802/1-3; 829301/1-5;
Harvey	South	826902/1-2; 827100/1-3; 827400/1-4; 827300/1-3; 826901/1; 827000/1-3; 827200/1,4; 827500/2-4; 824900/3; 824800/3;
Calumet City	South	826000/1-3; 826202/1-5; 825803/1-4; 825801/1-3; 826100/1-6; 826201/1-4; 825900/1-3; 825802/1-3;
Dolton Village	South	826402/1-5; 826401/1-2; 826500/1-4; 826304/1-3; 826301/1,3; 826303/1-3; 826201/2;
Markham	South	827400/3; 827400/3; 827600/1-3; 825600/1-4; 824900/1-3;
Riverdale	South	826700/1-4; 826600/1-5; 821500/1; 826800/5;
Sauk Village	South	828504/1-6; 828503/1-4;
Ford Heights	South	828503/1; 829700/1-3;
Hazel Crest	South	827700/1-2; 825501/1; 825504/1-2; 825503/1-4;
Phoenix	South	827200/1-4;
South Holland	South	827200/1,4; 826301/2-3; 827500/2-3; 827802/1-2; 827801/2,3,4; 826303/1,2,4; 827804/1; 828300/2; 827805/1,3;
Country Club Hills	South	825501/1-2; 825504/1-2; 825505/1-2,4; 829902/4; 829901/1-4;
Park Forest	South	830202/2; 830100/1; 830400/1-4; 829402/1-4; 830300/1-3;
Robbins	South	824300/1-5; 823603/2; 824400/1;
Blue Island	South	824300/1; 823603/1-2; 826800/4-5; 821300/1-4; 821200/2-4; 823400/1-4; 823500/1-4;
Matteson	South	830202/1; 830100/2; 830201/2; 830003/3; 830004/1,4; 830001/1; 830006/1-2;
Dixmoor	South	826800/1,3-5;
Posen	South	826800/1; 824800/1-2,4;
Burnham	South	825700/1-3;
Glenwood	South	828702/2-4; 828701/2-4; 828300/2;
Richton Park	South	830201/1-2; 830002/1-2;
Lynwood	South	828506/2-6; 828505/5;
Lansing	South	827902/1-5; 828000/1-4; 827901/1-3; 828505/1,4-5; 828202/3-4; 828100/1-5;
Homewood	South	825503/3; 829902/1; 828402/3;
South Chicago	South	829700/4; 829500/1-3;
Steger	South	829700/4; 829600/1-3;
Olympia Fields	South	830004/4;
East Hazel Crest	South	828402/1;
Thornton	South	828300/1-2;
Midlothian	South	824701/1-3; 824702/1-3;
Maywood	West	817300/1; 817600/1-4; 817200/1-4; 817700/2-5; 817500/1-4; 817400/1-3;
Bellwood	West	817102/1-3; 817101/1-4; 817000/1-5; 816900/1-4;
Broadview	West	817900/1-5; 818000/1,3;
Stone Park	West	816600/1-3;
Berwyn (CDBG)	West	814700/1-5; 814600/1-5; 815000/1-3; 815200/1-5; 815100/1-3; 814900/1-4; 815500/1-7;
Summit	West	820400/1-4;
Melrose Park	West	816401/1-4; 816402/1-4; 811302/1-2; 816300/1-4;
Hillside	West	818300/1-5;
Berkeley	West	816800/1-3;
Northlake	West	811800/1-6; 811702/1-3;
Franklin Park	West	811702/3;
Stickney	West	820700/1-4;
North Riverside	West	818000/2-3;
Oak Park (CDBG)	West	None; Pre-foreclosures-158
Evanston (CDBG)	North	809200/1-4;
Streamwood	North	804503/1-5;
Des Plaines (CDBG)	North	None; Pre-foreclosures-440
Skokie (CDBG)	North	None; Pre-foreclosures-246
Alsip	SW	823400/4; 823302/1-3;
Evergreen Park	SW	821600/1-2,4-5;
Oak Lawn (CDBG)	SW	None; Risk Score-8; Pre-foreclosures-240
Hanover Park	NW	804503/3,5;
Schaumburg (CDBG)	NW	None; Risk Score-9; Pre-foreclosures-238;
Palatine (CDBG)	NW	None; Risk Score-8; Pre-foreclosures-325
Hoffman Estates (CDBG)	NW	None; Risk Score-8; Pre-foreclosures-215
Arlington Heights (CDBG)	NW	None; Risk Score-8; Pre-foreclosures-224
Mount Prospect (CDBG)	NW	None; Pre-foreclosures-177

## NSP 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

---

Title

---

Date

# NSP Substantial Amendment Checklist

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

## Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): _____ Lead Agency Jurisdiction Web Address: (URL where NSP Substantial Amendment materials are posted)	NSP Contact Person: Address: Telephone: Fax: Email:
--	---

The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

### **A. Areas of Greatest Need**

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

Yes  No . Verification found on page \_\_\_\_\_.

### **B. Distribution and Uses of Funds**

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

Yes  No . Verification found on page \_\_\_\_\_.

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

### **C. Definitions and Descriptions**

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

- a definition of "blighted structure" in the context of state or local law,  
Yes  No . Verification found on page \_\_\_\_\_.
- a definition of "affordable rents,"  
Yes  No . Verification found on page \_\_\_\_\_.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,  
Yes  No . Verification found on page \_\_\_\_\_.
- a description of housing rehabilitation standards that will apply to NSP assisted activities?  
Yes  No . Verification found on page \_\_\_\_\_.

### **D. Information By Activity**

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

eligible use of funds under NSP,  
Yes  No . Verification found on page \_\_\_\_\_.

correlated eligible activity under CDBG,  
Yes  No . Verification found on page \_\_\_\_\_.

the areas of greatest need addressed by the activity or activities,

Yes  No . Verification found on page \_\_\_\_\_.

expected benefit to income-qualified persons or households or areas,

Yes  No . Verification found on page \_\_\_\_\_.

appropriate performance measures for the activity,

Yes  No . Verification found on page \_\_\_\_\_.

amount of funds budgeted for the activity,

Yes  No . Verification found on page \_\_\_\_\_.

the name, location and contact information for the entity that will carry out the activity,

Yes  No . Verification found on page \_\_\_\_\_.

expected start and end dates of the activity?

Yes  No . Verification found on page \_\_\_\_\_.

### ***E. Specific Activity Requirements***

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

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,

Yes  No . Verification found on page \_\_\_\_\_.

If the activity provides financing,

- the range of interest rates (if any),

Yes  No . Verification found on page \_\_\_\_\_.

If the activity provides housing,

- duration or term of assistance,

Yes  No . Verification found on page \_\_\_\_\_.

- tenure of beneficiaries (e.g., rental or homeownership),

Yes  No . Verification found on page \_\_\_\_\_.

- does it ensure continued affordability?

Yes  No . Verification found on page \_\_\_\_\_.

- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?

Yes  No . Verification found on page \_\_\_\_\_.

### ***F. Low Income targeting***

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

Yes  No . Verification found on page \_\_\_\_\_.

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

Yes  No . Verification found on page \_\_\_\_\_.

Amount budgeted = \$\_\_\_\_\_.

**G. Demolishment or Conversion of Low- And Moderate-Income Units**

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

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

Does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?  
Yes  No . Verification found on page \_\_\_\_\_.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?  
Yes  No . Verification found on page \_\_\_\_\_.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?  
Yes  No . Verification found on page \_\_\_\_\_.

**H. Public Comment Period**

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

Yes  No . Verification found on page \_\_\_\_\_.

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

Yes  No  Verification found on page \_\_\_\_\_.

**I. Website Publication**

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

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

Website URL: \_\_\_\_\_

**K. Certifications**

The following certifications are complete and accurate:

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