

1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
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Phone Number	573-751-3600
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2. Areas of Greatest Need

NSP3 Proposed Local Target Areas

(click each link to view proposed targeted areas – maps and NSP3 planning data)

[St. Louis County](#)

[St. Louis \(city\)](#)

[Independence](#)

[Raytown](#)

State Methodology for NSP3

The Dodd-Frank Wall Street Reform and Consumer Protection Act included an additional \$970 million of Neighborhood Stabilization program funding to continue to assist in the redevelopment of abandoned and foreclosed homes. The State of Missouri has been allocated \$5 million of this appropriation. The amount available to award, net of state administration of \$250,000, is \$4,750,000.

The Department of Economic Development (DED) solicited applications from jurisdictions with NSP3-eligible areas; this application was made available on December 2, 2010 with a due date of January 7, 2011.

HUD determined a foreclosure need score for each census tract and determined the minimum score for each state; for Missouri, census tracts scoring at least a 13 on foreclosure need were eligible for NSP3 funding. Only applications addressing these eligible census tracts were accepted for the State NSP3 program. All activities must benefit persons of low to moderate to middle income (LMMI, which is defined as persons with incomes at or below 120% of area median income), with a statutory requirement that at least 25% of the state's non-administrative allocation be used for activities that benefit persons at or below 50% of area median income.

A total of seven applications were received from jurisdictions containing eligible areas, totaling approximately \$13.6 million in requested NSP3 funds. As stated earlier, the State has \$4.75 million available to award. These applications were reviewed and evaluated by DED staff, and four applications have been selected for funding.

The complete list of applications received is:

Florissant	\$3,106,000
Harry S Truman Coordinating Council	\$421,000
Independence	\$2,779,875
Montgomery County	\$1,049,500
Raytown (inc. Grandview and Sugar Creek)	\$2,250,000
St. Louis County	\$2,500,000
St. Louis (city)	\$1,500,000

Determination of Areas of Greatest Need

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

The State of Missouri solicited applications from jurisdictions containing eligible NSP3 areas. Following is the local determination of areas of greatest need:

St. Louis County

Priority 1

The County as a first priority will utilize its allocation of NSP 3 funds from the State to rehabilitate those properties mentioned above prior to financing the acquisition of any additional properties. The targeted areas for NSP 3 include within their boundaries, 13 of the homes previously acquired under NSP 1. These combined areas have a Total NSP 3 needs score of 16.28, the State of Missouri's minimum score being 13.

A summary of the target neighborhoods and their characteristics follows:

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

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

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

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

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

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

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

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

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

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

Number of Foreclosure Starts in past year: 1

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

Priority 2

The final priority for NSP 3 funds in St. Louis County is to continue to acquire, rehabilitate and redevelop foreclosed properties within these targeted areas. However, no funding for new acquisitions will occur unless program income is derived from the sale of the properties in Priority 1. If funding becomes available through the generation of program income, and the County uses these funds to acquire additional foreclosed units, the County will follow applicable acquisition and relocation regulations under the Uniform Relocation Act as well as Environmental Review Records, as required following the applicable rules.

The County's approach to the rehabilitation of NSP homes has been since NSP 1, to identify the worst property on the block, rehabilitate that property using the County's NSP Housing Standards. These standards include sustainability of the property for 10 -15 years for the most part, without the need to replace or repair any major system. Additionally, the standards encourage the use of green building practices, and with NSP3 funds, all properties will obtain Energy Star Qualified designations. The use of energy star rated appliances and windows, and energy saving features are outlined in the standards. The County also encourages developers to follow Universal Design Principles for accessibility.

By identifying and rehabilitating the worst property on the block, the County hopes to motivate neighbors to make improvements to their own properties that in turn will increase the stability of the block.

St. Louis County is a NSP3 entitlement, meaning they are a direct recipient of NSP3 funds from HUD. The County's direct allocation NSP3 Substantial Amendment is at the following link:

<http://ww5.stlouisco.com/plan/NSP/index.html>

St. Louis (city)

The City has a very low percentage of homeowners, and the sites targeted for NSP3 funding are largely single-family homes. St. Louis believes that the best use of the funds in the City is to increase affordable home ownership both as a direct benefit to the owner occupants and as a neighborhood stabilization strategy. The City anticipates the activities serving the lower income group will be rental.

St. Louis is a NSP3 entitlement, meaning they are a direct recipient of NSP3 funds from HUD. The City's direct allocation NSP3 Substantial Amendment will be available at the following link:

<http://stlouis.missouri.org/cda/>

Independence

The priority target area for Independence NSP3 activities is located in Census Block Group 112.4, and for the purposes of this application will be referred to as the Union and Cottage Redevelopment Area. According to the 2000 census data, area housing is 66% rental. The median household income of the area is \$34,609 with 94% of households being at or below 120% AMI and 62.7% at or below 80%. (See *Attachment B: HUD NSP3 Planning Data sheet for a complete profile of the target area*)

The target area housing stock to be addressed during neighborhood stabilization includes 33 ca. 1960 two-story duplexes (66 units) originally developed for rental housing. All are basically designed as 2 bedrooms, 1 bath units, with some units having basements which provide washer/dryer connection for the tenant. Occupied units are currently renting for \$525-\$575 a month. All of the occupied units have maintenance issues, and many are actually substandard. There are currently 14 known vacant buildings (28 units) along Union and Cottage Streets, most of which have either been foreclosed and/or have had multiple owners over that last couple of years. (See *Attachment C: Union & Cottage Redevelopment Area Photographs*)

Beyond the significant concentration of vacancies and foreclosures, the Union and Cottage Redevelopment Area has become a priority for stabilization for a number of reasons. In the past few years, the City has received numerous complaints and calls for assistance from both area residents, and

elementary school officials serving this neighborhood. There has been an expressed concern for increasing issues surrounding foreclosures, vacancies, deferred maintenance, neighborhood blight, and more serious social issues in the area. According to school district officials, with access to affordable rental housing being somewhat limited, many families are continuing to reside in these substandard, and overpriced, units in order to keep their kids in area schools. Many of these families have very little or poor credit.

Additionally, the Union and Cottage Redevelopment Area is located west, and immediately adjacent to the primary entrance of the Harry S Truman Presidential Library and National Historic Landmark District. As the primary pillar of Independence’s tourism industry, the Truman District sees more than 70,000 visitors each year. The City and its partners have invested a significant amount of public and private funds in improving both the appearance and the public amenities surrounding this neighborhood. Redevelopment of existing affordable housing in the area would insure that many low and very-low income families will benefit from the immediate availability of cultural and recreational opportunities including: the new and improved McCoy Park, which includes a spray park, playground equipment and miscellaneous sports facilities for children and youth; a newly renovated and state of the art public library; the newly renovated Truman Presidential Library and Museum; emergency services offered through Independence Fire Station #1; and a variety of basic services including public transportation, grocery and retail stores, and restaurant facilities, all located within a short walking distance of area.

Should neighborhood stabilization in the Union and Cottage Redevelopment Area be limited in terms of the availability of eligible and voluntary property acquisitions, the City will focus any remaining NSP3 funding resources in the Mount Washington Neighborhood in Census Block Group 110.3. This area can be characterized as 41% rental housing, with 90.72% of households being at or below 120% AMI, and 71.56% at or below 80% AMI. *(See Attachment B: HUD NSP3 Planning Data)*

The Mount Washington Neighborhood is a sound candidate for neighborhood stabilization based on its close proximity to other significant federal, state and local investments including the NSP1 funded Overton Street Neighborhood Stabilization Project and the Norledge Place Redevelopment Area. The Mount Washington Neighborhood offers immediate opportunities for concentrated acquisition and rehabilitation of single family homes for rental or lease-purchase; and also acquisition and redevelopment of the former Mount Washington School for senior housing benefiting low and very-low income households. Developer partners, both for-profit and non-profit, are committed to revitalization in this area and have expressed a need and readiness to utilize any available NSP3 resources.

Raytown

Raytown is a multijurisdictional application that includes NSP3 eligible areas in Grandview and Sugar Creek. Each community selected the target area that could best achieve the identified NSP3 goals and selected neighborhoods with a good selection of properties to acquire and rehabilitate for both the 120% and 50% income groups. Additionally, Grandview selected a platted subdivision to jumpstart. The infrastructure had been installed prior to foreclosure by the lender.

Rental properties are available in the market and represent 38% of total occupied housing in Grandview and 24% in both Raytown and Sugar Creek. Raytown, Grandview and Sugar Creek are not addressing rental with NSP3, due to the availability of rental units for these income groups. These communities have focused NSP3 to improve the opportunities for home ownership providing a more positive opportunity for both families and the target neighborhoods.

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety, and public welfare. Communities participating in the State’s NSP funding must determine blighted structures by declaring the use of an existing dangerous building ordinance, building code level of violation or applicable occupancy or habitability designation and applying such ordinance, code violation, or

	designation in a manner consistent with the definition. The ordinance, code violation or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.
Affordable Rents	Defined as 30% of income

Descriptions

Term	Definition
Long-Term Affordability	<p>Affordability period for rental housing - rehabilitation or acquisition of existing housing per unit amount of NSP funds:</p> <ul style="list-style-type: none"> - under \$15,000 ---- 5 years - \$15,000 to \$40,000 ---- 10 years - Over \$40,000 or rehabilitation involving financing ---- 15 years - New construction or acquisition of newly constructed housing ---- 20 years <p>Homeownership Affordability Period - Minimum period of Homeownership assistance NSP amount per-unit affordability</p> <ul style="list-style-type: none"> - Under \$15,000 ---- 5 years - \$15,000 to \$40,000 ---- 10 years - Over \$40,000 ---- 15 years
Housing Rehabilitation Standards	<p>At a minimum, NSP grantees must use the Department of Economic Development Housing Quality Standards (DED HQS). These are available at http://www.missouridevelopment.org/pdfs/MinimumHousingRehabilitationStandards.pdf. If a NSP grantee chooses to use local rehabilitation standards, it must ensure that the local standard is more stringent than the DED HQS.</p> <p>All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.</p> <p>All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).</p> <p>Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.</p> <p>Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.</p> <p>Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).</p> <p>HUD also encourages the adoption of energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notice describes in more detail how energy efficient and environmentally-friendly green elements can be incorporated and additional tools on incorporating green rehabilitation standards can be found on the NSP Resource Exchange at www.hud.gov/nspta.</p>

4. Low-Income Targeting

Low-Income Set-Aside Amount

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

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response:

Total low-income set-aside **percentage** (must be no less than 25 percent): 32.00%

Total funds set aside for low-income individuals = \$1,500,000

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

Response:

The State of Missouri will meet the low-income goal via the 4 subgrantees in the following manner:

Independence –Independence is awarded \$1,500,000 of NSP3 funds; the non-administration amount is \$1,425,000; of this non-administration amount, \$712,500 (50%) is dedicated to activities serving the 50% AMI or below income group.

Raytown – Raytown (in conjunction with Grandview and Sugar Creek) is awarded \$1,125,000 of NSP3 funding; the amount net of administration is \$1,190,000. \$300,000, or 25% of the non-administration award, is dedicated to activities serving the 50% AMI or below income group.

St. Louis – St. Louis is awarded \$1,000,000 of NSP3 funds; the non-administration amount is \$950,000. Of this non-administration amount, \$237,500 or 25% is dedicated to activities serving the 50% AMI or below income group.

St. Louis County – St. Louis County is awarded \$1,000,000 of NSP3 funds; the non-administration amount is \$950,000. Of this non-administration amount, \$250,000 or 26% is dedicated to activities serving the 50% AMI or below income group.

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

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

No

If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	
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).	
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	

6. Public Comment

Citizen Participation Plan

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

Response:

The Substantial Amendment for NSP3 is being made available on February 10, 2011 for a 15 day comment period that ends on February 24, 2011. The Amendment is posted on the DED Business & Community Services website (www.missouridevelopment.org); public notice regarding this posting is made via a statewide press release and an announcement in the Department's weekly electronic news release. Local governments and entities participating in the State NSP 3 program must ensure that NSP3 information is available to all persons in the appropriate languages for the geographic area served by the jurisdiction. Accommodation for non-English speaking persons must be made, if requested and if typically necessary within the region, by NSP3 applicants.

Summary of Public Comments Received.

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

7. NSP Information by Project and Activity

The following projects and activities will be undertaken with NSP3 funds, and are presented in a format that will provide a “crosswalk” for HUD in review of the DRGR Action Plan with this Substantial Amendment. Financial and performance accountability are tracked according to the unit of local government. Therefore, the State of Missouri’s NSP3 activities in DRGR will be organized according to project, and the project will be name of the municipality and responsible organization. The information as presented below will mirror our entry for NSP3 projects and activities in DRGR, and will therefore provide a better template for quarterly performance review our regional HUD representative.

Project Information	
Project Name	City of Independence
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation
National Objective	LMMH
Activity Description	<p>Current vacancies and increased foreclosures within the target areas can largely be attributed to the significant number of substandard rental properties and low property values that have characterized these neighborhoods since the 1960’s. The NSP 3 program will strengthen housing market conditions by responding to an immediate need for decent, safe and sanitary; and affordable and efficient rental housing in an established and currently underutilized residential neighborhood. Further, NSP assisted units will be coupled with a lease-purchase program and supportive services in order to build a customer base for market-recovery homeownership opportunities.</p> <p>All activities funded by the Independence NSP3 program will focus on acquisition and rehabilitation of foreclosed, abandoned and vacant properties, for rental/lease-purchase for the benefit of low and very low income households. The priority target area for Independence NSP3 activities is located in Census Block Group 112.4, and for the purposes of this application will be referred to as the Union and Cottage Redevelopment Area. According to the 2000 census data, area housing is 66% rental. The median household income of the area is \$34,609 with 94% of households being at or below 120% AMI and 62.7% at or below 80%.</p> <p>The target area housing stock to be addressed during neighborhood stabilization includes 33 ca. 1960 two-story duplexes (66 units) originally developed for rental housing. All are basically designed as 2 bedrooms, 1 bath units, with some units having basements which provide washer/dryer connection for the tenant. Occupied units are currently renting for \$525-\$575 a month. All of the occupied units have maintenance issues, and many are actually substandard. There are currently 14 known vacant buildings (28 units) along Union and Cottage Streets, most of which have either been foreclosed and/or have had multiple owners over that last couple of years.</p> <p>The specific NSP3 activities to be funded include acquisition and rehabilitation of eligible foreclosed, abandoned and vacant residential properties for rental and or lease/purchase to income qualified families. The City will contract with qualified non-profit and/or for profit housing developers to carry out all acquisition and rehabilitation activities, and will utilize a request for proposals or qualifications process to secure the most qualified and capable project partners. The goal will be to acquire as many of the existing substandard duplex properties as possible, realizing that the actual number of projects to be completed will depend completely on the availability of NSP3 funding and the willingness of the current owners to sell. Our budget assumes that we can acquire 30 of the 66 units in the target area. All NSP3 program income, except for the 5% administrative allowance, generated from the sale of a unit would be used to purchase and rehab additional units in the Union and Cottage Redevelopment Area.</p>

The expected benefit to income-qualified households is a substantial increase in the supply and quality, of affordable rental housing, with the opportunity for homeownership through participation in a community based lease-purchase program. Additionally, this project is expected to result in a LMMA benefit for existing LMMI and LH25 residents through the redevelopment of currently vacant and foreclosed, blighted residential properties within an established LMMI neighborhood and area of greatest need.

It is anticipated that all units will require substantial rehabilitation. Any gut-level rehab will be brought up to the Energy Star standard required by the federal NSP3 program. New electrical service will be installed and under grounded. All appliances will be energy star rated. Any identified lead or asbestos hazards will be appropriately addressed. At a minimum the city's rehab standards and City Code for existing buildings will be met.

Each unit will be available either for rental, lease purchase, or mortgage purchase depending on the financial and administrative capacity of selected project partners. The estimated unit purchase price is between \$50,000-\$55,000, and the estimated rental rate is \$450/month; either way on target to benefit households qualifying at or below 50% AMI. Funding assistance would be made available through the City's HOME funded First Time Home Buyers program for those qualifying to purchase a unit. A community improvement district (CID) will be explored to insure funding and management capacity for future exterior maintenance of the units, trash removal, mowing, and snow removal of the properties. The CID would also have the ability to acquire and rehab additional properties and make improvements for the common good of the residents. Finally, a complete program to provide family supportive services including housing counseling, financial literacy and other life-skills education will be leveraged through available public and private resources to enhance the stabilizing power of this project.

The Independence NSP3 Program will adhere to all HUD regulations pertaining to the Neighborhood Stabilization Program including, but not limited to: income qualification, minimum set-aside for housing for those at or below 50% AMI, period of affordability guidelines for rental and homeownership, as appropriate and in accordance with HOME Program guidelines, purchase discount requirements, Uniform Relocation Act requirements, Energy Star objectives established for new construction and gut level rehabilitation projects, environmental review procedures and compliance, Section 3 and the Lead Safe Housing rule. The Independence NSP3 Program will adhere to all HUD regulations pertaining to the Neighborhood Stabilization Program affordability requirements including, but not limited to: income qualification, minimum set-aside for housing for those at or below 50% AMI, and period of affordability guidelines for rental and homeownership, as appropriate.

To ensure continued affordability, the HOME Affordability Guidelines will be utilized to determine minimum affordability time limits and silent, hard second liens will be placed on the properties for the term of the loan or the affordability period whichever is greater. Additionally, all rehabilitations will be conducted according to IBC rehabilitation and Model Energy Code standards to ensure lower costs of occupancy, and eventual ownership for participants successfully completing a lease-purchase program. In accordance with the City of Independence's planned NSP3 Section 3 program, developers who hire new employees will be required, to the maximum extent possible, to hire workers who live in the vicinity of the NSP3 target areas, and to contract with small businesses that are either owned or operated by persons residing in the vicinity of the project. A provision will be inserted in all development agreements and contracts incorporating this requirement; and compliance will be monitored NSP3 by program staff.

Utilizing a formal Request for Proposals process, all NSP3 assistance within the target areas will be prioritized for projects that specifically focus on acquisition and rehabilitation of foreclosed properties for affordable LMMI and LH25 rental, and/or lease purchase activities.

In accordance with the City of Independence's planned NSP3 Section 3 program, developers who hire new employees will be required, to the maximum extent possible,

	to hire workers who live in the vicinity of the NSP3 target areas, and to contract with small businesses that are either owned or operated by persons residing in the vicinity of the project. A provision will be inserted in all development agreements and contracts incorporating this requirement; and compliance will be monitored NSP3 by program staff.						
Location Description	NSP3 activities will take place only in Independence census tracts with need scores of 13 and above as per data provided by HUD, and will be prioritized for highest need areas based on current market conditions and community development needs. It is anticipated that most, if not all of the funding, will be focused in Census Block Groups 112.4 or 110.3 where prospective neighborhood stabilization opportunities that substantially meet HUD's priorities for the very low income, and preference for development of affordable rental housing, have already been identified. First consideration will be given to stabilization of the neighborhoods at North Union and Cottage Streets in Block Group 112.4, and to Mount Washington Neighborhood in Block Group 110.3. Both of these neighborhoods are located in northwest Independence, the City's priority reinvestment area for all federal, state and local funding resources, including NSP1 funding received through the state of Missouri.						
Budget	Source of Funding		Dollar Amount		Activity/Use		
	NSP3		\$ 712,500		Acquisition/Rehab		
	TOTAL NSP3		\$ 712,500				
	Private Lenders		\$ 250,000		Rehabilitation		
Total Budget			\$ 962,500				
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#SF H	#MF H	#Renter HH	#Owner HH
	Financing Mechanism						
	Acquisition/Rehabilitation	10	10	10		10	
	Land Banking						
	Demolition						
	Redevelopment						
Projected Start Date	Upon Execution of Funding Agreement						
Projected End Date	Through program closeout in 2014						
Responsible Organization	Name		City of Independence				
	Location		111 E. Maple Independence, MO 64050				
	Administrator Contact Info		Christina Leakey, Community Programs Supervisor 816.325.7397; cleakey@indepmo.org				

Project Name	City of Independence
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation
National Objective	LH25
Activity Description	<p>Current vacancies and increased foreclosures within the target areas can largely be attributed to the significant number of substandard rental properties and low property values that have characterized these neighborhoods since the 1960's. The NSP 3 program will strengthen housing market conditions by responding to an immediate need for decent, safe and sanitary; and affordable and efficient rental housing in an established and currently underutilized residential neighborhood. Further, NSP assisted units will be coupled with a lease-purchase program and supportive services in order to build a customer base for market-recovery homeownership opportunities.</p> <p>All activities funded by the Independence NSP3 program will focus on acquisition and rehabilitation of foreclosed, abandoned and vacant properties, for rental/lease-purchase for the benefit of low and very low income households. The priority target area for Independence NSP3 activities is located in Census Block Group 112.4, and for the purposes of this application will be referred to as the Union and Cottage Redevelopment Area. According to the 2000 census data, area housing is 66% rental. The median household income of the area is \$34,609 with 94% of households being at or below 120% AMI and 62.7% at or below 80%.</p> <p>The target area housing stock to be addressed during neighborhood stabilization includes 33 ca. 1960 two-story duplexes (66 units) originally developed for rental housing. All are basically designed as 2 bedrooms, 1 bath units, with some units having basements which provide washer/dryer connection for the tenant. Occupied units are currently renting for \$525-\$575 a month. All of the occupied units have maintenance issues, and many are actually substandard. There are currently 14 known vacant buildings (28 units) along Union and Cottage Streets, most of which have either been foreclosed and/or have had multiple owners over that last couple of years.</p> <p>The specific NSP3 activities to be funded include acquisition and rehabilitation of eligible foreclosed, abandoned and vacant residential properties for rental and or lease/purchase to income qualified families. The City will contract with qualified non-profit and/or for profit housing developers to carryout all acquisition and rehabilitation activities, and will utilize a request for proposals or qualifications process to secure the most qualified and capable project partners. The goal will be to acquire as many of the existing substandard duplex properties as possible, realizing that the actual number of projects to be completed will depend completely on the availability of NSP3 funding and the willingness of the current owners to sell. Our budget assumes that we can acquire 30 of the 66 units in the target area. All NSP3 program income, except for the 5% administrative allowance, generated from the sale of a unit would be used to purchase and rehab additional units in the Union and Cottage Redevelopment Area.</p> <p>The expected benefit to income-qualified households is a substantial increase in the supply and quality, of affordable rental housing, with the opportunity for homeownership through participation in a community based lease-purchase program. Additionally, this project is expected to result in a LMMA benefit for existing LMMA and LH25 residents through the redevelopment of currently vacant and foreclosed, blighted residential properties within an established LMMA neighborhood and area of greatest need.</p>

	<p>It is anticipated that all units will require substantial rehabilitation. Any gut-level rehab will be brought up to the Energy Star standard required by the federal NSP3 program. New electrical service will be installed and under grounded. All appliances will be energy star rated. Any identified lead or asbestos hazards will be appropriately addressed. At a minimum the city's rehab standards and City Code for existing buildings will be met.</p> <p>Each unit will be available either for rental, lease purchase, or mortgage purchase depending on the financial and administrative capacity of selected project partners. The estimated unit purchase price is between \$50,000-\$55,000, and the estimated rental rate is \$450/month; either way on target to benefit households qualifying at or below 50% AMI. Funding assistance would be made available through the City's HOME funded First Time Home Buyers program for those qualifying to purchase a unit. A community improvement district (CID) will be explored to insure funding and management capacity for future exterior maintenance of the units, trash removal, mowing, and snow removal of the properties. The CID would also have the ability to acquire and rehab additional properties and make improvements for the common good of the residents. Finally, a complete program to provide family supportive services including housing counseling, financial literacy and other life-skills education will be leveraged through available public and private resources to enhance the stabilizing power of this project.</p> <p>The Independence NSP3 Program will adhere to all HUD regulations pertaining to the Neighborhood Stabilization Program including, but not limited to: income qualification, minimum set-aside for housing for those at or below 50% AMI, period of affordability guidelines for rental and homeownership, as appropriate and in accordance with HOME Program guidelines, purchase discount requirements, Uniform Relocation Act requirements, Energy Star objectives established for new construction and gut level rehabilitation projects, environmental review procedures and compliance, Section 3 and the Lead Safe Housing rule. The Independence NSP3 Program will adhere to all HUD regulations pertaining to the Neighborhood Stabilization Program affordability requirements including, but not limited to: income qualification, minimum set-aside for housing for those at or below 50% AMI, and period of affordability guidelines for rental and homeownership, as appropriate. To ensure continued affordability, the HOME Affordability Guidelines will be utilized to determine minimum affordability time limits and silent, hard second liens will be placed on the properties for the term of the loan or the affordability period whichever is greater. Additionally, all rehabilitations will be conducted according to IBC rehabilitation and Model Energy Code standards to ensure lower costs of occupancy, and eventual ownership for participants successfully completing a lease-purchase program. In accordance with the City of Independence's planned NSP3 Section 3 program, developers who hire new employees will be required, to the maximum extent possible, to hire workers who live in the vicinity of the NSP3 target areas, and to contract with small businesses that are either owned or operated by persons residing in the vicinity of the project. A provision will be inserted in all development agreements and contracts incorporating this requirement; and compliance will be monitored NSP3 by program staff.</p> <p>Utilizing a formal Request for Proposals process, all NSP3 assistance within the target areas will be prioritized for projects that specifically focus on acquisition and rehabilitation of foreclosed properties for affordable LMMI and LH25 rental, and/or lease purchase activities.</p> <p>In accordance with the City of Independence's planned NSP3 Section 3 program, developers who hire new employees will be required, to the maximum extent possible, to hire workers who live in the vicinity of the NSP3 target areas, and to contract with small businesses that are either owned or operated by persons residing in the vicinity of the project. A provision will be inserted in all development agreements and contracts incorporating this requirement; and compliance will be monitored NSP3 by program staff.</p>
Location Description	NSP3 activities will take place only in Independence census tracts with need scores of 13 and above as per data provided by HUD, and will be prioritized for highest need

	<p>areas based on current market conditions and community development needs. It is anticipated that most, if not all of the funding, will be focused in Census Block Groups 112.4 or 110.3 where prospective neighborhood stabilization opportunities that substantially meet HUD's priorities for the very low income, and preference for development of affordable rental housing, have already been identified. First consideration will be given to stabilization of the neighborhoods at North Union and Cottage Streets in Block Group 112.4, and to Mount Washington Neighborhood in Block Group 110.3. Both of these neighborhoods are located in northwest Independence, the City's priority reinvestment area for all federal, state and local funding resources, including NSP1 funding received through the state of Missouri.</p>						
Budget	Source of Funding		Dollar Amount		Activity/Use		
	NSP3		\$ 712,500		Acquisition/Rehab		
	TOTAL NSP3		\$ 712,500				
Private Lenders		\$ 250,000		Rehabilitation			
Total Budget		\$ 962,500					
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#SF H	#MF H	#Renter HH	#Owner HH
	Financing Mechanism						
	Acquisition/Rehabilitation	10	10	10		10	
	Land Banking						
	Demolition						
Redevelopment							
Projected Start Date	Upon Execution of Funding Agreement						
Projected End Date	Through program closeout in 2014						
Responsible Organization	Name		City of Independence				
	Location		111 E. Maple Independence, MO 64050				
	Administrator Contact Info		Christina Leakey, Community Programs Supervisor 816.325.7397; cleakey@indepmo.org				

Project Name	Raytown						
Use	Select all that apply:						
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms					
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation					
	<input type="checkbox"/>	Eligible Use C: Land Banking					
	<input checked="" type="checkbox"/>	Eligible Use D: Demolition					
<input checked="" type="checkbox"/>	Eligible Use E: Redevelopment						
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation and, 24 CFR 570-201(d)- demolition.						
National Objective	LMMH						
Activity Description	Demolition of blighting influences in order to stabilize population and property values; Selected buildings will be in violation of the dangerous building ordinance and infeasible to repair; Acquisition/Rehab homes and marketed to eligible families; Redevelopment – new houses constructed on foreclosed vacant and/or abandoned properties for resale to qualified families. The neighborhoods selected have a 36% high cost mortgage and 10% delinquency in foreclosure rate. A total of 53 foreclosure starts have occurred in this past year and there are 30 REO in the past year. Our project will be able to improve approximately 14 properties that are in foreclosure. The result will be affordable homes with all major systems repaired; lower utility costs due to all new energy efficiency appliances; and improved home ownership success through completion of homeownership counseling.						
	Available houses located in the target areas will be evaluated to determine which houses best hold their resale value compared to the estimated cost for acquisition and rehab in order to select the houses that represent the best economic deal. Rehab will include the installation of energy efficient appliances and green materials whenever possible to keep the monthly energy costs low and scope of work will focus on correcting all potential failure of major housing systems, so the new owner's cost to own the property will not suffer from the need to make major repairs and improvements. The finished house will be widely marketed and the mortgage will be adjusted to be affordable to the family that purchases the house. The program will use a forgivable second mortgage to write down the price of the house. The second mortgage will not be required to be paid unless the house is sold, the city will have the option to forgive the repayment if the goals for the program were met. We will widely market all contracting opportunities to small businesses in the community.						
Location Description	Laurel Hills/NE, Raytown, Grandview Gardens, Norby Garden, Clark haven, Wyatts Addn., Grandview and Sugar Creek						
Budget	Source of Funding		Dollar Amount		Activity/Use		
	NSP3		\$ 700,000		Acquisition/Rehab		
			\$ 180,000		Redevelopment		
			\$ 10,000		Demolition		
	Total NSP3		\$ 890,000				
Private		\$ 820,000		All activities			
Total Budget			\$ 1,710,000				
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#SF H	#MF H	#Renter HH	#Owner HH
	Financing Mechanism						
	Acquisition/ Rehab	14	14	14			14
	Land Banking						
	Demolition	1	1	1			1
Redevelopment	4	4	4			4	
Projected Start Date	March 1, 2011 (estimated)						
Projected End Date	March 1, 2014						
Responsible Organization	Name		City of Raytown				
	Location		10000 E. 59 th Street, Raytown, 64133				
	Administrator Contact Info		Beth Linn, CD Director, 816-737-6000; bethl@raytown.mo.us				

Project Name	Raytown						
Use	Select all that apply:						
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms					
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation					
	<input type="checkbox"/>	Eligible Use C: Land Banking					
	<input checked="" type="checkbox"/>	Eligible Use D: Demolition					
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation and, 24 CFR 570-201(d)- demolition.						
National Objective	LH25%						
Activity Description	<p>Demolition of blighting influences in order to stabilize population and property values; Selected buildings will be in violation of the dangerous building ordinance and infeasible to repair; Acquisition/Rehab homes and marketed to eligible families; Redevelopment – new houses constructed on foreclosed vacant and/or abandoned properties for resale to qualified families. The neighborhoods selected have a 36% high cost mortgage and 10% delinquency in foreclosure rate. A total of 53 foreclosure starts have occurred in this past year and there are 30 REO in the past year. Our project will be able to improve approximately 6 properties that are in foreclosure. The result will be affordable homes with all major systems repaired; lower utility costs due to all new energy efficiency appliances; and improved home ownership success through completion of homeownership counseling.</p> <p>Available houses located in the target areas will be evaluated to determine which houses best hold their resale value compared to the estimated cost for acquisition and rehab in order to select the houses that represent the best economic deal. Rehab will include the installation of energy efficient appliances and green materials whenever possible to keep the monthly energy costs low and scope of work will focus on correcting all potential failure of major housing systems, so the new owner's cost to own the property will not suffer from the need to make major repairs and improvements. The finished house will be widely marketed and the mortgage will be adjusted to be affordable to the family that purchases the house. The program will use a forgivable second mortgage to write down the price of the house. The second mortgage will not be required to be paid unless the house is sold, the city will have the option to forgive the repayment if the goals for the program were met. We will widely market all contracting opportunities to small businesses in the community.</p>						
Location Description	Laurel Hills/NE, Raytown, Grandview Gardens, Norby Garden, Clark haven, Wyatts Addn., Grandview and Sugar Creek						
Budget	Source of Funding		Dollar Amount		Activity/Use		
	NSP3		\$ 245,000		Acquisition/Rehab		
			\$ 45,000		Redevelopment		
			\$ 10,000		Demolition		
	Total NSP3		\$ 300,000				
Private Funds		\$ 205,000					
Total Budget for All Activities		\$ 505,000					
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#SF H	#MF H	#Renter HH	#Owner HH
	Financing Mechanism						
	Acquisition/ Rehab	6	6	6			6
	Land Banking						
	Demolition	1	1	1			1
Redevelopment	1	1	1			1	
Projected Start Date	March 1, 2011 (estimated)						
Projected End Date	March 1, 2014						
Responsible Organization	Name		City of Raytown				
	Location		10000 E. 59 th Street, Raytown, 64133				
	Administrator Contact Info		Beth Linn, CD Director, 816-737-6000; bethl@raytown.mo.us				

Project Name	St. Louis County For Sale to families at or below 120% AMI										
Use	Select all that apply: <table border="1" data-bbox="492 216 1419 373"> <tr> <td><input checked="" type="checkbox"/></td> <td>Eligible Use A: Financing Mechanisms</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Eligible Use B: Acquisition and Rehabilitation</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use C: Land Banking</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use D: Demolition</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Eligible Use E: Redevelopment</td> </tr> </table>	<input checked="" type="checkbox"/>	Eligible Use A: Financing Mechanisms	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation	<input type="checkbox"/>	Eligible Use C: Land Banking	<input type="checkbox"/>	Eligible Use D: Demolition	<input checked="" type="checkbox"/>	Eligible Use E: Redevelopment
<input checked="" type="checkbox"/>	Eligible Use A: Financing Mechanisms										
<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation										
<input type="checkbox"/>	Eligible Use C: Land Banking										
<input type="checkbox"/>	Eligible Use D: Demolition										
<input checked="" type="checkbox"/>	Eligible Use E: Redevelopment										
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation and 570.201(n) direct homeownership assistance, financing mechanism.										
National Objective	LMMH										
Activity Description	<p>Foreclosure continues to be a considerable concern for St. Louis County. In 2010 4,539 properties were foreclosed, a 17% increase from 2009. Sixteen percent (16%) of all homes in St. Louis County were in foreclosure, compared to the State's 12% rate and the National rate of 20% according to RealtyTrac.com. Unemployment rates in November 2010 were at 9.7%, MSA wide, higher than the nation's rate of 9.5%. The highest percentages of foreclosures have occurred in homes with less than 1000 sq. ft. and were valued at less than \$100,000. This data reveals that the majority of foreclosures in the County are smaller more affordable homes, typically built as Pre and Post WWII housing and traditionally occupied by low-to-moderate income homeowners. To confirm our target areas were consistent with this data further research and analysis was completed using zip codes. Zip code data derived from Trulia.com indicates similar findings.</p> <p>In our foreclosure core area, the initial subprime-driven wave of foreclosures has caused a distorted housing market that has pushed housing prices down, largely through an oversupply of REO properties marketed at steeply discounted prices. In this climate, a homeowner in financial stress will find it difficult to sell their property at a price that allows their mortgage to be paid off. This dynamic would be aggravated by two other factors. First, lending practices in the subprime era resulted in a large proportion of homeowners, whether from refinance or purchase loans, with very high loan to value ratios even before any home price declines. Second, the 2008 recession disproportionately affected workers in blue collar occupations such as construction and manufacturing and lower income workers in general. To the extent that such workers are a large share of the foreclosure core area, a larger proportion of homeowners will have seen income disruptions. The most alarming statistic over the past year is the drop in sales prices, Realty Trac data states the average home sales price has dropped from \$100,000 to \$62,675 a 40% drop from a year ago. The drop in sales price, the largest in the State, will most certainly affect all facets of the County market.</p> <p>Rehabilitation or Redevelopment of eligible single family housing for sale to families at or below 120% AMI will occur within the areas of greatest need identified using the HUD mapping tool, for the rehabilitation or redevelopment of properties acquired, but not yet rehabbed under NSP 1. Use of NSP 3 funds to rehabilitate these properties accelerates the development of these properties, eliminating the need to wait for program income from NSP 1. It is not anticipated that acquisition of new properties occur under the initial allocation, any new acquisitions will occur only when program income is generated from the sales. At that time, Federal and State NSP 1 and NSP 3 regulations will be followed to acquire the new eligible properties.</p> <p>Rehabilitation of the properties will be conducted by the developers already selected under NSP 1. Development of the properties will incorporate NSP 3's new housing standards with emphasis on energy efficiency and encourage green building techniques. The County has revised its NSP Rehabilitation Standards to incorporate these changes, http://www.stlouisco.com/plan/NSP/index.html</p> <p>Financing mechanisms used to fund the rehabilitation of the properties by developers will be at zero percent interest secured by a deed of trust. The amount invested by the County will be returned upon sale to homebuyer less any development costs incurred.</p> <p>The tenure of the beneficiaries is homeownership. Eligible homebuyers with incomes <120% of the area median income will attend counseling and homebuyer preparation</p>										

classes. The agencies providing the counseling will ensure income qualifications as well as ability to afford the home. We anticipate up to 15% of the sales of these homes to be affordable to families <50% of the area median income.

The term of the assistance to the homebuyer will be in the form of a forgivable loan secured by a deed of trust, for down payment assistance structured on an income driven scale, with families at 50% of the area median or below to receive greater assistance than those at 120% of the area median income. Estimated range from \$5,000 to \$15,000. All homebuyers sign the NSP Resale - Recapture Policy statements to ensure affordability period is explained and understood.

Under NSP 1, St. Louis County financed the acquisition of 130 foreclosed properties. Most of those properties have been, or are being rehabilitated using funds allocated from NSP, either from the County's direct allocation or through its allocation from the State of Missouri. However, over 35 properties have yet to begin construction due to a lack of funds. The County's initial plan included the ability to leverage NSP funds with private financing, while we continue to encourage this, for the most part, it has not been the case.

Priority 1

The County as a first priority will utilize its allocation of NSP 3 funds from the State to rehabilitate those properties mentioned above prior to financing the acquisition of any additional properties. The targeted areas for NSP 3 include within their boundaries, 13 of the homes previously acquired under NSP 1. These combined areas have a Total NSP 3 needs score of 16.28, the State of Missouri's minimum score being 13. A summary of the target neighborhoods and their characteristics follows:

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

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

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

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

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

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

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

Total Housing Units to receive a mortgage between 2004 and 2007: 15
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 43.1
Percent of Housing Units 90 or more days delinquent or in foreclosure: 11.7
Number of Foreclosure Starts in past year: 1
Number of Housing Units Real Estate Owned July 2009 to June 2010: 0

Priority 2

The final priority for NSP 3 funds in St. Louis County is to continue to acquire, rehabilitate and redevelop foreclosed properties within these targeted areas. However, no funding for new acquisitions will occur unless program income is derived from the sale of the properties in Priority 1. If funding becomes available through the generation of program income, and the County uses these funds to acquire additional foreclosed units, the County will follow applicable acquisition and relocation regulations under the Uniform Relocation Act as well as Environmental Review Records, as required following the applicable rules.

The County's approach to the rehabilitation of NSP homes has been since NSP 1, to identify the worst property on the block, rehabilitate that property using the County's NSP Housing Standards. These standards include sustainability of the property for 10 - 15 years for the most part, without the need to replace or repair any major system. Additionally, the standards encourage the use of green building practices, and with NSP3 funds, all properties will obtain Energy Star Qualified designations. The use of energy star rated appliances and windows, and energy saving features are outlined in the standards. The County also encourages developers to follow Universal Design Principles for accessibility. By identifying and rehabilitating the worst property on the block, the County hopes to motivate neighbors to make improvements to their own properties, that in turn will increase the stability of the block.

Deed restrictions such as deeds of trust and/or regulatory agreements binding the property will be placed on each property restricting the sale of lease to households whose combined income does not exceed 120% of the area median income or 50% of the area median income as necessary to meet the HUD requirement. The affordability period will be 5-15 years for rehabilitated property and 20 years for newly construction for sale or rental property, if any.

St. Louis County shall to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project, as evidenced by County Ordinance. In addition, any developer, subrecipient or contractor entering into an agreement to receive funds through the County's allocation of NSP 3 funds shall as a participant in the program, agree to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project as evidenced by County Ordinance # _____. Developers, subrecipients and contractors shall report on an annual basis the hiring of any persons and their addresses.

Preference for the development of rental housing can be demonstrated by the County's NSP rental policy allowing for the following: Developers/Property Management providers keeping properties affordable and maintaining the properties to the standards

	<p>set for St. Louis County NSP and County or municipal building codes will receive partial forgiveness of debt at the end of the affordability period. Upon completion of the rehabilitation, a new appraisal of the property is conducted. At the time of completion of the rehabilitation of the property, the Developer/Property Management Provider will enter into a Note and Deed of Trust in the amount of the appraised value, allowing for return of annual program income after all operating expenses, including reserves have been paid. At the maturity of the note, typically 15 years, if the property has continued to remain affordable and met the County and municipal property codes and NSP standards during the period of affordability, 50% of the Note is forgiven. During the period of affordability, these loans may be assumable by other Property Management Providers that enter into agreements with The County to continue providing affordable rental opportunities until the end of the affordability period.</p> <p>Funding request is for 3 properties.</p>						
Location Description	Targeted areas identified by maps 1 – 4						
Budget	Source of Funding		Dollar Amount		Activity/Use		
	NSP3		\$ 655,000		Acquisition/Rehab,		
			\$ 45,000		Financing		
	TOTAL NSP3		\$ 700,000				
	NSP 1 Acquisition		\$ 90,000		Acquisition/ Rehab		
	HOME funds		\$ 1,000		Acquisition/ Rehabilitation		
Total Budget			\$ 841,000				
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#SF H	#MF H	#Renter HH	#Owner HH
	Financing Mechanism	3	3	3			3
	Acquisition/ Rehabilitation	3	3	3			3
	Land Banking						
	Demolition						
	Redevelopment						
Projected Start Date	Upon notification of funding						
Projected End Date	Project will continue as long as funds including program income are available until the program end date as defined by HUD						
Responsible Organization	Name		St Louis County				
	Location		121 S. Meramec, Ste 444, Clayton, MO 63105				
	Administrator Contact Info		Jim Holtzman, jholtzman2@stlouisco.com 314-615-4414.				

Project Name	St Louis County – Rental of properties to families at or below 50% AMI
Use	Select all that apply: <input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570-201.(a), acquisition, and (b) disposition, and 570.202 rehabilitation and 570.201(n) direct homeownership assistance, financing mechanism.
National Objective	Low-Income Housing to meet 25% set-aside (LH25)
Activity Description	<p>Rehabilitation or redevelopment of eligible properties for lease to low income families. This activity will occur within the areas of greatest need identified using the HUD mapping tool, for the rehabilitation or redevelopment of properties acquired, but not yet rehabbed under NSP 1. Use of NSP 3 funds to rehabilitate these properties accelerates the development of these properties, eliminating the need to wait for program income from NSP 1. It is not anticipated that acquisition of new properties occur under the initial allocation, any new acquisitions will occur only when program income is generated from the sales of properties under different activities. At that time, Federal and State NSP 1 and NSP 3 regulations will be followed to acquire the new eligible properties. We anticipate 100% of the rental of these homes to be made affordable to families <50 % of the area median income. Rehabilitation of the properties will be conducted by the developers already selected under NSP 1. Development of the properties will incorporate NSP 3's new housing standards with emphasis on energy efficiency and encourage green building techniques. The County has revised its NSP Rehabilitation Standards to incorporate these changes, http://www.stlouisco.com/plan/NSP/index.html</p> <p>The tenure of the beneficiaries is traditional rental. The financing mechanisms used to fund the rehabilitation of the properties by developers will be at zero percent interest secured by a Note and deed of trust and a regulatory agreement.</p> <p>Preference for the development of rental housing can be demonstrated by the County's NSP rental policy allowing for the following: Developers/Property Management providers keeping properties affordable and maintaining the properties to the standards set for St. Louis County NSP and County or municipal building codes will receive partial forgiveness of debt at the end of the affordability period. Upon completion of the rehabilitation, a new appraisal of the property is conducted. At the time of completion of the rehabilitation of the property, the Developer/Property Management Provider will enter into a Note and Deed of Trust in the amount of the appraised value, allowing for return of annual program income after all operating expenses, including reserves have been paid. At the maturity of the note, typically 15 years, if the property has continued to remain affordable and met the County and municipal property codes and NSP standards during the period of affordability, 50% of the Note is forgiven. During the period of affordability, these loans may be assumable by other Property Management Providers that enter into agreements with The County to continue providing affordable rental opportunities until the end of the affordability period. Funding request for 2 properties</p> <p>Deed restrictions such as deeds of trust and/or regulatory agreements binding the property will be placed on each property restricting the sale of lease to households whose combined income does not exceed 120% of the area median income or 50% of the area median income as necessary to meet the HUD requirement. The affordability period will be 5-15 years for rehabilitated property and 20 years for newly construction for sale or rental property, if any.</p> <p>St. Louis County shall to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project, as evidenced by County Ordinance. In addition, any developer, subrecipient or contractor entering into an agreement to receive funds through the County's allocation of NSP 3 funds shall as a participant in the program, agree to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or</p>

	<p>contract with small businesses that are owned and operated by persons residing in the vicinity of the project as evidenced by County Ordinance # _____. Developers, subrecipients and contractors shall report on an annual basis the hiring of any persons and their addresses.</p> <p>Preference for the development of rental housing can be demonstrated by the County's NSP rental policy allowing for the following: Developers/Property Management providers keeping properties affordable and maintaining the properties to the standards set for St. Louis County NSP and County or municipal building codes will receive partial forgiveness of debt at the end of the affordability period. Upon completion of the rehabilitation, a new appraisal of the property is conducted. At the time of completion of the rehabilitation of the property, the Developer/Property Management Provider will enter into a Note and Deed of Trust in the amount of the appraised value, allowing for return of annual program income after all operating expenses, including reserves have been paid. At the maturity of the note, typically 15 years, if the property has continued to remain affordable and met the County and municipal property codes and NSP standards during the period of affordability, 50% of the Note is forgiven. During the period of affordability, these loans may be assumable by other Property Management Providers that enter into agreements with The County to continue providing affordable rental opportunities until the end of the affordability period.</p>						
Location Description	Targeted areas identified by maps 1 - 4						
Budget	Source of Funding		Dollar Amount		Activity/Use		
	Total NSP3		\$ 125,000		Financing		
			\$ 125,000		Acquisition/Rehab		
	TOTAL NSP3 Funds		\$ 250,000				
	NSP 1		\$ 25,000		Financing, Acquisition/Rehab, and Redevelopment		
HOME funds		\$ 174,795		Financing, Acquisition/ Rehab, and Redevelopment			
Total Budget for All Activities			\$ 449,795				
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#S FH	#MF H	#Renter HH	#Owner HH
	Financing Mechanism	2	2	2		2	
	Acquisition/ Rehabilitation	2	2	2		2	
	Land Banking						
	Demolition						
Redevelopment							
Projected Start Date	Upon notification of funding						
Projected End Date	Project will continue as long as funds including program income are available until the program end date as defined by HUD						
Responsible Organization	Name		St Louis County				
	Location		121 S. Meramec, Ste 444, Clayton, MO 63105				
	Administrator Contact Info		Jim Holtzman, jholtzman2@stlouisco.com 314-615-4414.				

Project Name	City of St. Louis- For Sale to families at or below 120% AMI						
Use	Select all that apply:						
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms					
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation					
	<input type="checkbox"/>	Eligible Use C: Land Banking					
	<input type="checkbox"/>	Eligible Use D: Demolition					
<input type="checkbox"/>	Eligible Use E: Redevelopment						
CDBG Activity or Activities	24 CFR 570.202 rehabilitation						
National Objective	LMMH						
Activity Description	<p>Rehabilitation of housing for sale will address NSP eligible scattered sites within the target area already held by the Land Reutilization Authority on behalf of the City. NSP3 funds will be used for development cost write down needed to cover the market gap, and buyer second mortgages and down payment assistance will be provided to address the affordability gap as needed. All homebuyers will be required to have a minimum of eight hours of homebuyer counseling from a HUD approved counseling agency.</p> <p>The City has a very low percentage of homeowners, and the sites targeted for NSP3 rehab funding are largely single-family homes. We believe the best use of the funds in the City is to increase affordable homeownership both as a direct benefit to the owner occupants and as a neighborhood stabilization strategy. We commit the expenditure of a minimum of 25% of NSP program funding for rehab of units restricted to households at 50% or below of area median income, and we anticipate that these will be rental units. NSP properties will be regulated with the same resale and recapture provisions applied to our HOME-assisted properties, and defined in the City's 2011 Action Plan (link provided in Section 2 under Determination of Areas of Greatest Need). To the maximum extent possible, the City will utilize Section 3 guidelines to hire people/businesses from the local vicinity to carry out any aspect of this activity should the need arise for additional employees or contractors.</p>						
Location Description	Please refer to the attached map, HUD mapping tool and list of target neighborhoods . All properties are located in neighborhoods identified as Targets A and B in the NSP1 program, the NSP3 eligibility for which has been confirmed through further analysis and use of the tool						
Budget	Source of Funding		Dollar Amount		Activity/Use		
	NSP3		\$ 712,500		Rehabilitation		
	TOTAL NSP3		\$ 712,500				
	In-Kind		\$ 6,000		Lead inspections and clearances		
Total Budget			\$ 768,500				
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#SF H	#MFH	#Renter HH	#Owner HH
	Financing Mechanism						
	Acquisition/ Rehabilitation	5	5	5			5
	Land Banking						
	Demolition						
Redevelopment							
Projected Start Date	Upon execution of grant agreement						
Projected End Date	All funds expended three years from execution of grant agreement						
Responsible Organization	Name		City of St. Louis				
	Location		1015 Locust, Suite 1140, St. Louis, MO 63101				
	Administrator Contact Info		314-622-3400 x223 claybourj@stlouiscity.com				

Project Name	City of St. Louis- For Sale to families at or below 50% AMI						
Use	Select all that apply:						
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms					
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation					
	<input type="checkbox"/>	Eligible Use C: Land Banking					
	<input type="checkbox"/>	Eligible Use D: Demolition					
<input type="checkbox"/>	Eligible Use E: Redevelopment						
CDBG Activity or Activities	24 CFR 570.202 rehabilitation						
National Objective	LH25%						
Activity Description	<p>Rehabilitation of housing for sale will address NSP eligible scattered sites within the target area already held by the Land Reutilization Authority on behalf of the City. NSP3 funds will be used for development cost write down needed to cover the market gap, and buyer second mortgages and down payment assistance will be provided to address the affordability gap as needed. All homebuyers will be required to have a minimum of eight hours of homebuyer counseling from a HUD approved counseling agency.</p> <p>The City has a very low percentage of homeowners, and the sites targeted for NSP3 rehab funding are largely single-family homes. We believe the best use of the funds in the City is to increase affordable homeownership both as a direct benefit to the owner occupants and as a neighborhood stabilization strategy. We commit the expenditure of a minimum of 25% of NSP program funding for rehab of units restricted to households at 50% or below of area median income, and we anticipate that these will be rental units. NSP properties will be regulated with the same resale and recapture provisions applied to our HOME-assisted properties, and defined in the City's 2011 Action Plan (link provided in Section 2 under Determination of Areas of Greatest Need). To the maximum extent possible, the City will utilize Section 3 guidelines to hire people/businesses from the local vicinity to carry out any aspect of this activity should the need arise for additional employees or contractors.</p>						
Location Description	Please refer to the attached map, HUD mapping tool and list of target neighborhoods . All properties are located in neighborhoods identified as Targets A and B in the NSP1 program, the NSP3 eligibility for which has been confirmed through further analysis and use of the tool.						
Budget	Source of Funding		Dollar Amount			Activity/Use	
	Total NSP3		\$ 237,500			Rehabilitation	
Total Budget	\$ 237,500						
Performance Measures	Activity	# of Housing Units	# of HH Benefitting	#SF H	#MF H	#Renter HH	#Owner HH
	Financing Mechanism						
	Acquisition/ Rehabilitation	4	4		1	4	
	Land Banking						
	Demolition						
Redevelopment							
Projected Start Date	Upon execution of grant agreement						
Projected End Date	All funds expended three years from execution of grant agreement						
Responsible Organization	Name		City of St. Louis				
	Location		1015 Locust, Suite 1140, St. Louis, MO 63101				
	Administrator Contact Info		314-622-3400 x223 claybourj@stlouiscity.com				

State Certifications

- (1) **Affirmatively furthering fair housing.** The state certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-displacement and relocation plan.** The state certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) **Anti-lobbying.** The state certifies compliance with restrictions on lobbying required by 24 CFR part 87.
- (4) **Authority of jurisdiction.** The state certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the state possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (5) **Consistency with plan.** The state certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) **Acquisition and relocation.** The state certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.
- (7) **Section 3.** The state certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (8) **Citizen participation.** The state certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (9) **Following a plan.** The state certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]
- (10) **Use of funds.** The state certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (11) **The state certifies:**
 - a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
 - b. The state 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 state certifies that it lacks NSP or CDBG funds to cover the assessment.

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

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

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

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

(15) **Compliance with laws.** The state certifies that it will comply with applicable laws.

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

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


Signature/Authorized Official


Date

Director, Department of Economic Development
Title

Administration		
Activity Description	State and Local Administration	
Budget	Grantee	Amount
	State Administration	\$ 250,000
	St. Louis County	\$ 50,000
	City of Independence	\$ 75,000
	Raytown/Gladstone	\$ 60,000
	St. Louis City	\$ 50,000
Total Budget	\$ 485,000	
Responsible Organization	Name	State of Missouri - CDBG
	Location	301 West High Street, Ste 770 Jefferson City, MO 65101
	Administrator Contact Info	Andy Papen, Program Manager 573.751.3600 Andy.papen@ded.mo.gov