

Consolidated Plan  
Fiscal Year 2008  
NSP Funds  
Substantial Change  
Amendment



*Lake County, Ohio*

County of Lake

NOVEMBER 2008

Prepared by County of Lake's Federal Grants Office

## **NSP SUBSTANTIAL AMENDMENT**

This Amendment is a supplement to the County of Lake's FY'2008 Annual Action Plan submitted to the U.S. Department of Housing and Urban Development (HUD) on August 15, 2008 and is necessary to accommodate new HUD funding under the "Neighborhood Stabilization Program (NSP)" and all of the elements of the original Action Plan are hereby incorporated into the supplemental document. Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA; Public Law 110-289, approved July 30, 2008) appropriates \$3.92 billion for emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties, and provides under a rule on construction that, unless HERA states otherwise, the grants are to be considered Community Development Block Grants (CDBG) funds.

In accordance with the allocation formula provided by HUD, Lake County, Ohio, is appropriated \$3,402,859 in NSP funds that is treated as a special allocation of Fiscal Year 2008 CDBG funding. The County through the Federal Grants Office shall carry out its NSP activities in the context of a comprehensive plan for the unincorporated communities and participating jurisdictions by assisting the areas hardest impacted by the foreclosure crisis identified throughout this document as "Eligible Targeted Communities".

# THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): LAKE COUNTY OHIO	NSP Contact Person: TRACY L. UDRIJA
Jurisdiction Web Address: <ul style="list-style-type: none"><li>• www.lakecountyohio.org/commweb</li></ul>	Address: 105 Main Street Painesville, OH 44077
	Telephone: (440) 350-2625
	Fax: (440) 350-2650
	Email: Tracy.Udrija@lakecountyohio.gov

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

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

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:

**To meet the statutory targeting requirement for NSP activities, the County will utilize data provided by HUD and use the Foreclosure Risk Score prepared by HUD. We deleted most data columns provided on the Excel spreadsheet keeping only columns L through X.**

**To find the area benefit eligible communities, we added up the number of <=120% persons and total persons in each community by census tracts and block groups. Any community with over 51% of <=120% persons is completely eligible. Individual census tracts and block groups are also eligible within communities that do not reach the 51% threshold for the whole community.**

**This analysis produced 3 lists of local communities: Whole Area (Community) Eligible, Some Eligible Areas, and Community Not Eligible. We will use these lists to determine where demolitions can be done with NSP funds. The County has determined that the Cities of Painesville, Eastlake and the Village of Madison are the areas showing the greatest need.**

## ***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:

**Utilizing the data provided by HUD, it has been determined that the areas of greatest need, including those areas with the highest percentage of foreclosures and housing units financed Lake County Ohio, Substantial Change to include the Use of NSP funds.**

by a subprime related loans have been identified by the County as the City of Painesville, City of Eastlake and Madison Township.

We will offer both our Downpayment assistance and our acquisition-rehab-resale subsidies in those Communities as a whole which have a aggregated Foreclosure risk score of 8 or above. Using the data provided by HUD and due to the low amount of funding, the County proposes to target the Cities of Painesville, Eastlake and Madison Township.

### *C. DEFINITIONS AND DESCRIPTIONS*

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

Response:

Per the State of Ohio’s Board of Building Standard’s, a blighted structure is” A “**blighted structure**” is a **structure** in which its conditions make it imminently dangerous to health, safety or general welfare of its occupants or the public. Conditions include those that do not comply with state, county or municipal health, welfare or safety including conditions that are structurally unsafe, unsanitary or not providing adequate safe exists, or that constitutes a fire hazard, existing use constitutes a hazard to public health, welfare or safety by reason of inadequate maintenance, dilapidation or obsolescence and does not comply with housing, building, HQS or city housing maintenance codes. If the **blighted structure** cannot be repaired or rehabilitated at a cost equal to or less than 50% of its assessed value as shown by the most recent appraisal the property may be considered for demolition.

(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:

The approved 2005-2009 Lake County Consolidated Plan defines “affordable rents” as those at or below the applicable Fair Market Rent (FMR) for the Cleveland Area Metropolitan Area as defined by HUD. This **definition** of affordable rents will also be used for the Lake County NSP.

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

Response:

Lake County will ensure continued affordability by requiring the use of an enforcement document against each piece of real property. All units receiving assistance greater than \$10,001 will hold a Declaration of Covenants against the property with a long term affordability component meeting or exceeding HOME Investment Partnership standards. Affordability standards will be as follows: NSP assistance for homebuyer programs, acquisition/rehabilitation/resell: \$10,001 - \$40,000 will require continued affordability for 15 years. NSP funding of more than \$40,001 will require continued affordability for 20 years. Acquisition or new construction of rental units will mandate an affordability period of not less than 20 years at any funding level.

All units will be monitored for continued affordability during their required period of affordability. Repayment Agreements will be subject to the Lake County Subordination Policy in the event a homeowner chooses to sell, refinance or transfer the title of the real Lake County Ohio, Substantial Change to include the Use of NSP funds.

property. In the event a homeowner does not fulfill the 10 year period of affordability, repayment to the NSP program will be required and funds will be used for another NSP eligible project. All units subject to a Declaration of Covenants will be maintained as affordable housing units until said Declaration is satisfied. All rental housing created will be subject to ongoing monitoring of its physical condition and required to meet Housing Quality Standards (HQS) for its predetermined period of affordability. Monitoring schedules will follow the HOME standard requiring NSP properties of 1-4 units be monitored every 3 years, properties with 5-25 NSP units will be monitored every 2 years and properties with 26 or more NSP units will be monitored annually. If NSP funds assist a property that was previously assisted with HOME funds, but on which the affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure, Lake County will revive the HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of the NSP notice.

Lake County will require that all NSP assisted homebuyers complete a pre-purchase workshops conducted by the Fair Housing Resource Center, Inc. They are a HUD Certified Housing Counseling Agency that works with residents to meet pre-purchase, post-purchase, foreclosure and reverse mortgage needs.

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

Lake County has adopted the Section 8 Housing Quality Standards (HQS) as the model it will use to meet rehabilitation standards. Working with city building officials or contract inspectors we will verify the physical condition of the property and determine if the unit meets HQS. Many of the foreclosed and vacant housing units do not have occupancy certificates and will need to be rehabilitated before an occupancy certificate can be issued. In order to regain those certificates, all code violations must be corrected and health and safety deficiencies satisfied.

Response:

***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: **\$850,714.75.**

*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:

Lake County will subcontract with two (2) area nonprofit agencies that serve the special needs population. Extended Housing, Inc. and Pathways, Inc. are collaborating with Lake Communities Development Corporation, an area CHDO, on a new construction project that will provide 15 new apartments for the special needs population in Lake County. These units are to be built in one of the targeted areas, Painseville City, on vacant land in a LMI area. Extended Housing, Inc also operates several housing program options for households with mental illness. These options include McNaughton House Apartments (HUD property), PATH and other rental subsidies and rental units owned by the agency itself.

**Of the proposed construction of 15 new units, 4 of the units will be equipped for persons with physical disabilities. All persons assisted by this activity are at or below <50% of the area median income.**

### ***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:

**To implement this program, Lake County will contract with appropriate acquisition entities. These entities will be determined by issuance of a competitive RFQ and selected by a screening committee. This entity will locate appropriate properties negotiate with the owner for a purchase at 15 % below market and assist in the preparation of the acquisition paperwork. Lake County Federal Grants Office staff also intends to partner with local non profits and if necessary contract with parties who have experience in acquisition and rehabilitation and the ability to determine necessary repairs and estimate of costs. As a final strategy, Lake County will also work with homebuyers who have identified their own properties and are working with parties to buy foreclosed or abandoned homes. Lake County will work with these homebuyers to facilitate their purchase, and grant homebuyers down payment and/or rehabilitation assistance. For all properties in this program, Lake County will ensure that appropriate environmental inspections are completed prior to purchase or closing.**

**All homebuyers will have incomes at or below 120% of AMI and will be located through a marketing campaign, which may include, but not be limited to, newspaper or TV ads, local nonprofit campaigns, notices on the websites, etc.. A centralized waiting list will be created as needed.**

**Applications shall be processed by Lake County or its contracted agent(s). Lake County is aware that mortgages are difficult to obtain and many homebuyers will have damaged credit. Lake will work with local counselors to assist homebuyers with credit repair and homebuyer counseling. Lake County also intends to work with local banks to develop programs and is developing a strategy for direct mortgage assistance and a lease to purchase program.**

Lake County, or its agents, shall work with local contractors with the appropriate licenses and insurance. Rehabilitation specifications shall be developed for each property. Bids shall be awarded through a competitive bid process and will be awarded to the lowest responsible bid. Lake County reserves the right to designate a bid as non responsible due to capacity or performance issues.

Project managers shall inspect the properties and ensure that work is being completed and appropriate permits and inspections have occurred. When purchasers are identified prior to rehabilitation, homebuyers will have input into the specification development for items such as color selections. All homes will be sold for the lesser of the cost of acquisition and rehab or appraised value. A financial strategy is under development to ensure affordability and documents shall be required to ensure continued affordability.

Lake County does intend to demolish units which conditions are substandard and are not cost effective to rehabilitate. These properties will be determined as **blight** and creating a hardship on surrounding low/mod neighborhoods. It is expected that Lake County with the use of original program allocations and possible revenue could demolish between 5 to 10 properties. Properties located in most low mod areas will meet the affordable housing **definition** as set by HUD. It is the County's intent to develop these properties with new permanent housing opportunities for households at or below 120% AMI.

#### *F. PUBLIC COMMENT*

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

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

Response:

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

**G2.ACTIVITY –**

**(1) Activity Name: Acquisition/Rehabilitation/Financing/Resale- Homeownership**

**(2) Activity Type: NSP Eligible Use CDBG Activity**

**A. Financing for foreclosed homes and residential properties**

**24CFR570.206-Delivery Cost and Financing Mechanisms for eligible activities**

**B. Purchase/Rehab abandoned/foreclosed residential property**

**24CFR570.201(a)-Acquisition, (b)Disposition, (i)Relocation, (n)Direct homeownership assistance ,24CFR570.202-Rehabilitation, preservation, counseling**

**C. Land Banks for foreclosed homes**

**24CFR570.201(a)-Acquisition, (b)Disposition,**

**(3) National Objective:**

**National objective benefiting low,-moderate and -middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income. All homes will be sold to households with incomes at or below 120% of AMI. It is expected that few homes will be sold to households with income at or below 50% of AMI>**

**(4) Projected Start Date: January 15, 2009**

**(5) Projected End Date: July 13, 2013**

**(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)**

**Lake County Commissioners Federal Grants Office**

**105 Main Street, Painesville, OH 44077;**

**Contact: Tracy L. Udrija, Federal Grants Administrator,**

**Email: Tracy.Udrija@lakecountyohio.gov**

**Phone:(440) 350-2625.**

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

**Homes will be purchased / resold in Lake County in the Special Areas of Greatest Need as described on page 1 of Section A. Any exceptions will processed as noted on that page.**

**(8) Activity Description:**

**Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income. This activity will occur in the Special Areas of Greatest Need or amended exceptions as denoted on page 3Section A. This activity is to provide homeownership for persons/families at or below 120% of AMI. It is expected that few homes will be sold to households with income at or below 50% of AMI By purchasing and rehabilitating homes, neighborhoods will Lake County Ohio, Substantial Change to include the Use of NSP funds.**

be stabilized and low to middle income families will obtain homeownership. This strategy includes activities of acquisition, rehabilitation, resale, financing tools, including first and second mortgages, down payment assistance program. FHA and government foreclosed homes will be considered along with other NSP-eligible properties. Lake County will work with lenders to assist with homeowners obtaining mortgages, and will provide homebuyer counseling through a contract with a HUD certified counselor. It will also bring homes back to move in condition and put homes back on the tax rolls. Lake County will purchase properties and rehabilitate homes to current standards. Lake County will also partner with local not for profit agencies to also purchase and rehabilitate the homes.

Lake County will use licensed and insured contractors. All homes rehabilitated by Lake County or its representatives will be sold with warranties to facilitate affordability for the buyers. Lake County will also work with homebuyers that seek to locate foreclosed homes near their support services, and will assist homebuyers that meet all the requirements of the program with down payment assistance and rehabilitation assistance if needed.

If homes are not sold in a reasonable timeframe, Lake County reserves the right to convert acquired homes to rental or to lease to purchase programs.

For housing related activities: include:-tenure of beneficiaries- term of assistance-how the design of the activity will ensure continued affordability.

For acquisition activities, include:-discount rate for financing activities, include:-range of interest rates Tenure shall be homeownership. Notes and mortgages shall be recorded for up to 30 years based on amount and type of assistance. Affordability shall meet or exceed Home requirements. Payments will be structured so that the PITI does not exceed 33% of a household's gross income as determined by HUD definitions of income limits and qualified income. Post purchase counseling will also be available through 2013. Warranties will be purchased for each home sold through this program. Properties will be acquired at least 15% below market value. Interest rates will graduate from 0 to 6% to make mortgages affordable. Down payment assistance will be a 0% deferred loan that amortizes during the affordability period.

#### **I. Total Budget: (Include public and private components)**

**\$2,000,000 NSP funds**

**\$3,000,000 Private mortgages approximately**

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

**It is anticipated that Lake County will purchase and rehabilitate estimated 16 units with the initial funding allocated... Of these homes, 4 will be for persons at or below 80% and the remainder will be at or below 120%. It is expected that few homes will be sold to households with income at or below 50% of AMI. It is anticipated that Lake County will obtain and recycle program income revenues to further this program with the intent of assisting an estimated 20 units**

**(1) Activity Name: Administration and Planning**

**(2) Activity Type: NSP Eligible Use CDBG Activity**

**Up to 10 percent of an NSP grant provided to a jurisdiction and of up to 10 percent of program income earned may be used for general administration and planning activities. (NSP Notice) 24CFR570.206(a)(1)-Planning and Administration**

**(3) National Objective:**

**Administration for national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income -NA.**

**(4) Projected Start Date: January 15, 2009**

**(5) Projected End Date: July 13, 2013**

**(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)**

**Lake County Commissioners Federal Grants Office  
105 Main Street, Painesville, OH 44077;  
Contact: Tracy L. Udrija, Federal Grants Administrator,  
Email: Tracy.Udrija@lakecountyohio.gov  
Phone:(440) 350-2625.**

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

**Administration will occur at 105 Main Street, Painesville, OH 44077**

**(8) Activity Description:**

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

**These funds will be used to provide administrative activities including, but not limited to: personnel to carry out contract management functions.**

**For housing related activities, include:**

- tenure of beneficiaries-NA**
- duration or term of assistance -NA**
- a description of how the design of the activity will ensure continued affordability -NA**

**For acquisition activities, include:-discount rate-NA**

**For financing activities, include:-range of interest rates-NA**

**9. Total Budget: (Include public and private components) \$340,000.00**

**10. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):- NA- beneficiaries are described in other Section D activities.**

**(1) Activity Name: Lake County Redevelopment Program**

(2) Activity Type: 01 Acquisition (to include demolition and redevelopment)

(3) National Objective: **Properties to be demolished will be properties that are in a LMA as defined by CDBG and not less than 51% low mod by census.**

(4) Activity Description:

**Lake County will target the redevelopment program towards areas that are 51% LMA to benefit the surrounding properties by removing blight and allowing new housing opportunities to occupy those sites. Lake County will purchase properties in collaboration with the host city that require extensive rehabilitation beyond cost effective measures and meet the definition of blight. Once the acquisition has occurred AC or the local municipality will take the necessary steps to demolish the structure, secure utilities and remove any debris, waste or environmental hazards. After lots have been cleared, Lake County will consider proposals for redevelopment by local organizations and municipalities.**

(5) Location Description:

**By using information provided by the targeted local municipalities and the NSP program data we will target those census tracts and blocks that have identified high foreclosure rates, vacancy rates and high cost loans. Neighborhoods that have been identified as those having “areas of greatest need” and are causing unfavorable neighborhood conditions.**

(6) Performance Measures

**Lake County expects to assist between 2 to 3 housing units within LMA as defined by Census data.**

(7) Total Budget: \$212,144.00

(8) Responsible Organization:

**Lake County Commissioners Federal Grants Office  
105 Main Street, Painesville, OH 44077  
Contact: Tracy L. Udrija, Federal Grants Administrator  
Email: Tracy.Udrija@lakecountyohio.gov  
Phone:(440) 350-2625.**

(9) Projected Start Date: **01/15/2009**

(10) Projected End Date: **07/13/2013**

(11) Specific Activity Requirements:

**Lake County will purchase the properties at a discount between 5 and 15%. Once a property is secured, Lake County will ensure long-term affordability by securing a Declaration of Covenants and Restrictions against the property. Redevelopment of this property will result in new construction. To meet HOME standards, the enforcement document will be 20-years in length. If the home meets the needs of a household at or below the 50%, the declaration will require that any changes in property ownership to also meet the same income level. This may require that Lake County purchase the property to adequately meet this NSP requirement.**

Lake County Ohio, Substantial Change to include the Use of NSP funds.

**(1) Activity Name: New Construction – Special Needs Rental Units**

(2) Activity Type: 12 New Construction Low Mod Housing

(3) National Objective:

**Lake County will meet the low/mod/middle income definition of all participants and meet the needs of the 25% requirement that meets income levels of 50% or less AMI.**

(4) Activity Description:

**Extended Housing, Inc., Pathways, Inc. and LCDC are part of the Corporation on Supportive Housing's Housing Institute and the NSP Funds will be a perfect fit for their project.**

**Overview**

- Two story new construction, approximately 10,000+ square feet
- 50% of tenants will be homeless with mental illness, the remaining tenants will be low income and disabled
- 15 one-bedroom units (fully furnished with on-site supportive services). Possibly efficiency units if a variance is approved by the City of Painesville.
- Common Areas include and are not limited to kitchen, laundry, office space(s), Community Room/Celebration Room, bathroom(s)
- Extended Housing, Inc. will own and manage the property

**Operating Costs**

- Rent will be the FMR of \$633 which includes all utilities. Tenants will either have income sufficient at 30% of their income to meet the \$633 rent structure or a rental subsidy through SPC, HOME, etc.
- Subsidies to come from Extended Housing's current subsidies or from new SPC vouchers

**Supportive Services**

- Extended Housing, Inc. will continue its practice of working with service providers
- Pathways, Inc.'s Crisis Hotline will operate on site from 8:00 a.m. – 11:00 p.m. Monday through Friday
- Project Community Room available for the following groups:
  - BRIGES: Mental Health Consumer Empowerment's "Wellness Management & Me"
  - Lifeline's "Daily Living Skills"
  - Volunteers to work alongside residents to offer a "Monthly Meal" to persons in the community
- Office Space on Site
  - Available for a service provider to meet with residents as needed
- On Site Staff via Extended Housing, Inc., 11:00 p.m. – 3:00 a.m. Daily
- Integrated treatment involves a number of elements. The following services are available through the dual disorders program:
  - case management
  - money management
  - special counseling and groups specifically designed for people with dual disorders
  - education regarding medications and other steps to recovery from both illnesses
  - supported employment services
  - information and supports for family members and loved ones

(5) Location Description:

**The Project Site is located in a targeted for revitalization neighborhood in the City of Painesville and in very close proximity to LCDC and Extended Housing as well as local amenities.**

6) Performance Measures

**After completion, this project will 15 one-bedroom units (fully furnished with on-site supportive services). Possibly efficiency units if a variance is approved by the City of Painesville.**

(7) Total Budget:

**Approximate Development Costs**

■ Hard Costs (other funds)	\$ 1,164,375
■ NSP Funds	\$ 850,715
■ Soft Costs (25% of Hard Costs)	\$ 388,125
■ Developer Fee (10% of total)	\$ 172,500
Total	\$ 2,575,715

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

**Lake County Commissioners Federal Grants Office  
105 Main Street, Painesville, OH 44077;  
Contact: Tracy L. Udrija, Federal Grants Administrator,  
Email: Tracy.Udrija@lakecountyohio.gov  
Phone:(440) 350-2625.**

(9) Projected Start Date: 02/15/2009

(10) Projected End Date: 07/13/2013

(11) Specific Activity Requirements:

**NSP funding of more than \$40,001 will require continued affordability for 20 years.**

**Acquisition or new construction of rental units will mandate an affordability period of not less than 20 years at any funding level.**

**All units will be monitored for continued affordability during their required period of affordability.**

**The Lake County Federal Grants Office will complete on-site monitoring on a yearly basis to ensure compliance.**

# CERTIFICATIONS

(1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

(5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

(6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) **Use NSP funds  $\leq$  120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and

occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

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

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

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

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

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

# NSP Substantial Amendment Checklist

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

## Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): LAKE COUNTY OHIO	NSP Contact Person: TRACY L. UDRIJA
Jurisdiction Web Address: www.lakecountyohio.org/commweb	Address: 105 Main Street Painesville, OH 44077
	Telephone: (440) 350-2625
	Fax: (440) 350-2650
	Email: Tracy.Udrija@lakecountyohio.gov

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

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

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

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

### **B. DISTRIBUTION AND USES OF FUNDS**

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

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

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

### **C. DEFINITIONS AND DESCRIPTIONS**

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

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

**D. LOW INCOME TARGETING**

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?  
Yes  No  Verification found on page \_\_\_\_.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?  
Yes  No  Verification found on page \_\_\_\_.  
Amount budgeted = \$ \_\_\_\_.

**E. ACQUISITIONS & RELOCATION**

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

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

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e.,  $\leq 80\%$  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.,  $\leq 120\%$  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)?  
Yes  No  Verification found on page \_\_\_\_.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?  
Yes  No  Verification found on page \_\_\_\_.

**F. PUBLIC COMMENT PERIOD**

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

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

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

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

**G. INFORMATION BY ACTIVITY**

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

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

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

***H. CERTIFICATIONS***

The following certifications are complete and accurate:

(1) Affirmatively furthering fair housing Yes  No

Lake County Ohio, Substantial Change to include the Use of NSP funds.

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