

# THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction: Hammond, IN	NSP Contact Person: Rick Calinski
Web address for NSP Amendment <a href="http://www.gohammond.com/web/316.990.0.0.1.0.phtmlWeb">http://www.gohammond.com/web/316.990.0.0.1.0.phtmlWeb</a>	Address: 649 Conkey Street Hammond, IN 46324
Jurisdiction Web Address: <a href="http://www.gohammond.com">http://www.gohammond.com</a>	Telephone: (219) 853-6371
	Fax: (219) 853-6334
	Email: <a href="mailto:calinskir@gohammond.com">calinskir@gohammond.com</a>

## **Introduction**

The U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. For more information about the NSP program in general, please visit [www.hud.gov/nsp](http://www.hud.gov/nsp).

This document serves as the City of Hammond's application to receive NSP funds. It describes the proposed programs that will be funded, the areas that have the greatest need of assistance, the areas that will receive assistance, and additional information as required by HUD. Based on a formula devised by HUD, Hammond will receive \$3,860,473 of NSP funds. The funds will be allocated to the following uses:

A. Financing Mechanisms for Purchase and Rehabilitation of Foreclosed and Residential Properties	\$300,000.00
B. Acquisition-Rehabilitation of Foreclosed and Residential Properties	\$1,500,000.00
C. Land Banking	\$150,000.00
D. Demolition of Blighted Structures	\$80,000.00
E. Redevelopment of Demolished, Vacant Properties	\$1,444,426.13
F. Administration	\$386,047.35

The Hammond Department of Planning and Development will act as the lead agency for administering NSP funds for the City. The City encourages residents provide comment and feedback on this application. All written comments received during the public comment period will be considered before submitting a final amendment to HUD. All comments should be addressed to: Rick Calinski, 649 Conkey Street, Hammond IN 46324.

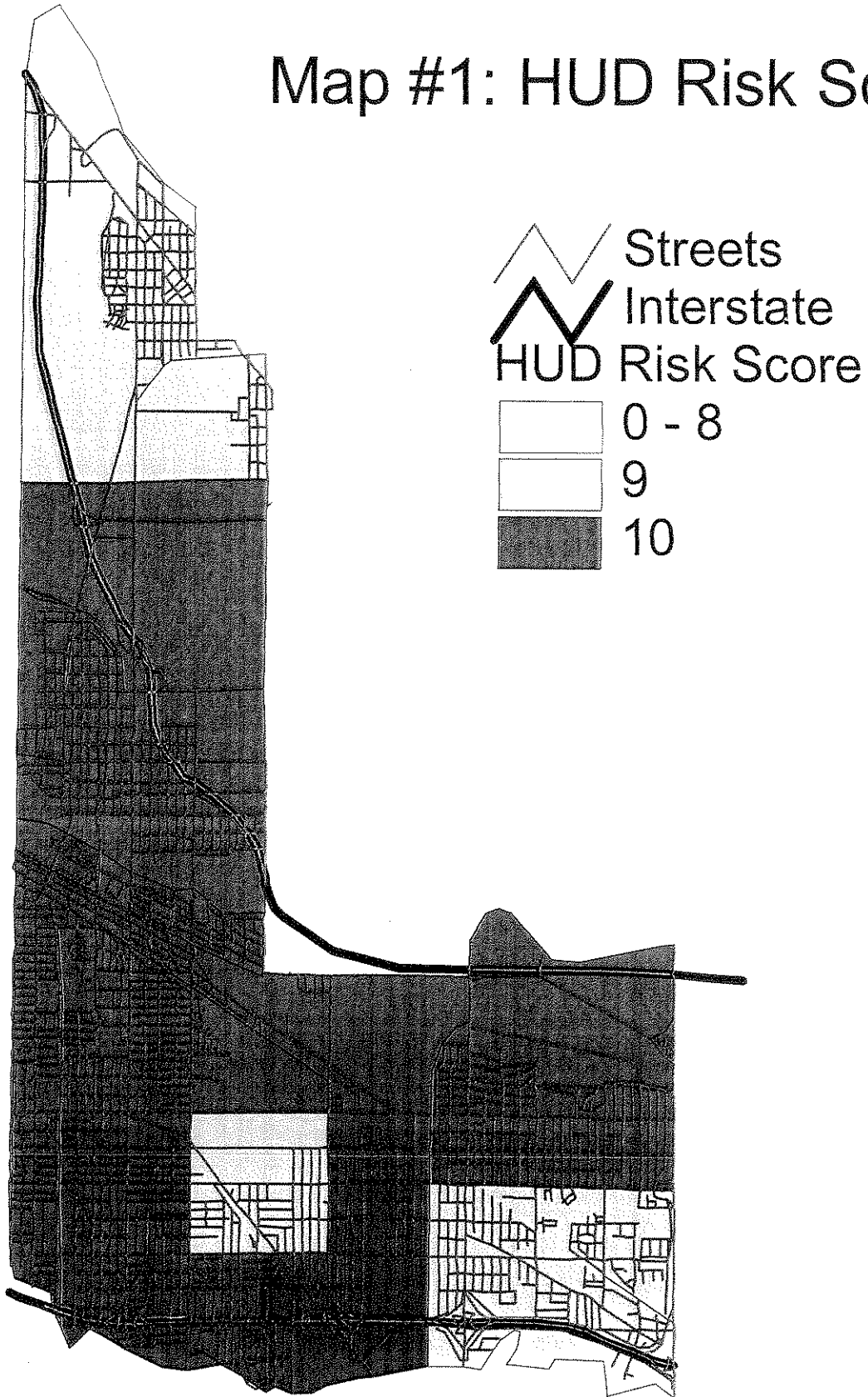
## A. Areas of Greatest Need

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

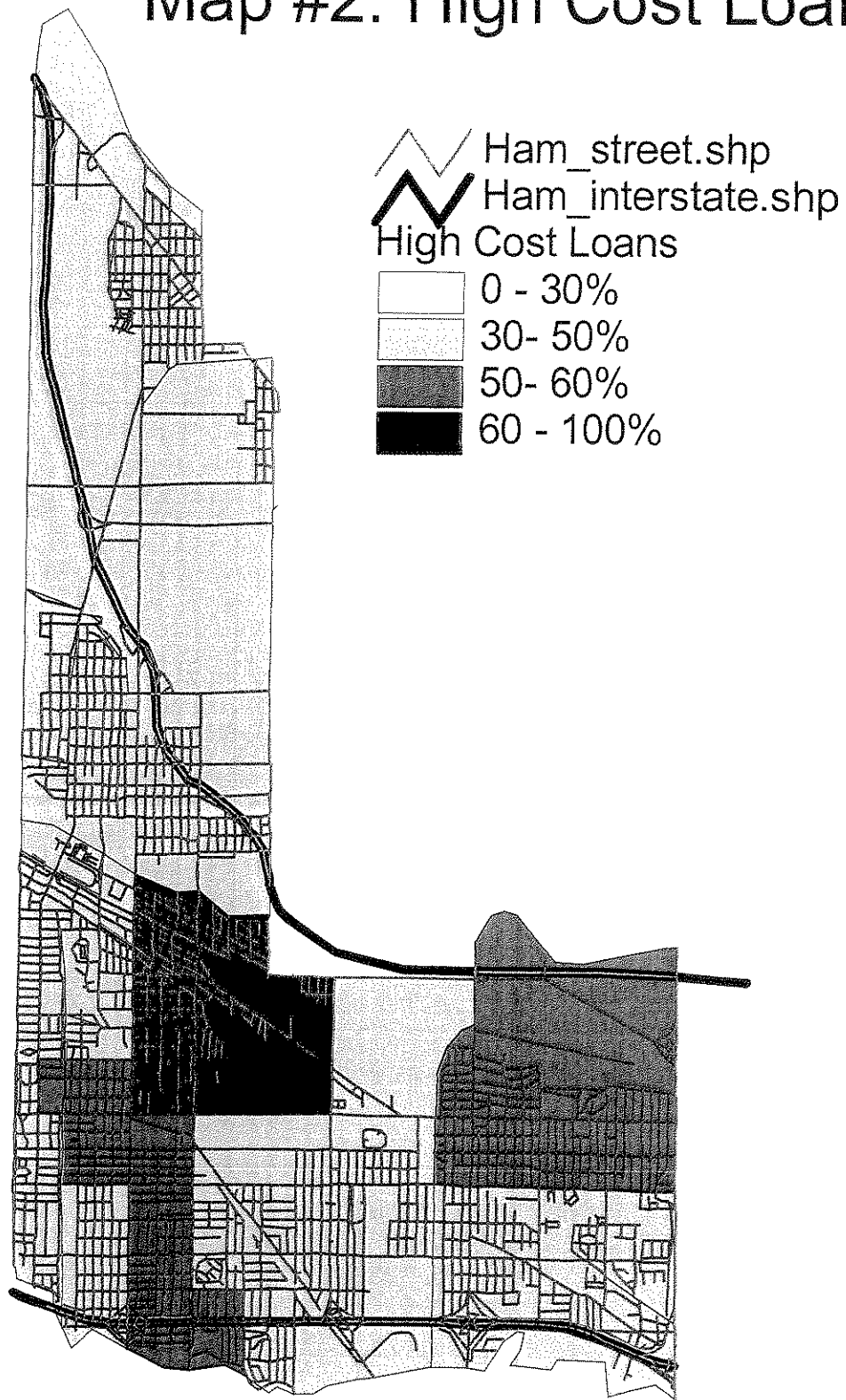
City staff analyzed and mapped data sources provided by HUD and foreclosure data available from RealtyTrac to determine the areas of greatest need within its jurisdiction. The following maps are attached to the end of this document.

- **MAP #1: HUD Estimated Foreclosure/Abandonment Risk Score:** To assist communities identify neighborhoods that face a high risk of foreclosure and abandonment, HUD created a data model that ranks each Census Block Group and assigns a risk factor on a scale of one to ten, with a rank one indicating relatively low risk and ten indicating the greatest risk. This data is provided in the HUD Risk Score column of TABLE 1.
- **MAP #2: Federal Reserve Home Mortgage Disclosure Act (HMDA):** HUD also provided data at the Census Tract level on the percent of all loans made between 2004 and 2006 that are considered to be high cost. The Fed defines high-cost loans as those with yields that are 3% greater than the yield on Treasury securities of comparable duration on first-lien loans and 5% greater than on subordinate liens. This data is provided in the High Cost Loans column of TABLE 1.
- **MAP #3: Number of pre-foreclosures and upcoming foreclosure auctions:** These are properties where the owner is delinquent in paying the mortgage and the lender has started foreclosure proceedings. For targeting purposes, this information has been aggregated by zip code (TABLE 2). Source: [www.realtytrac.com](http://www.realtytrac.com)
- **MAP #4: Number of foreclosures:** These are properties where the foreclosure process is complete and the title of the property has been transferred to the lender. For targeting purposes, this information has been aggregated by zip code (TABLE 2). Source: [www.realtytrac.com](http://www.realtytrac.com)

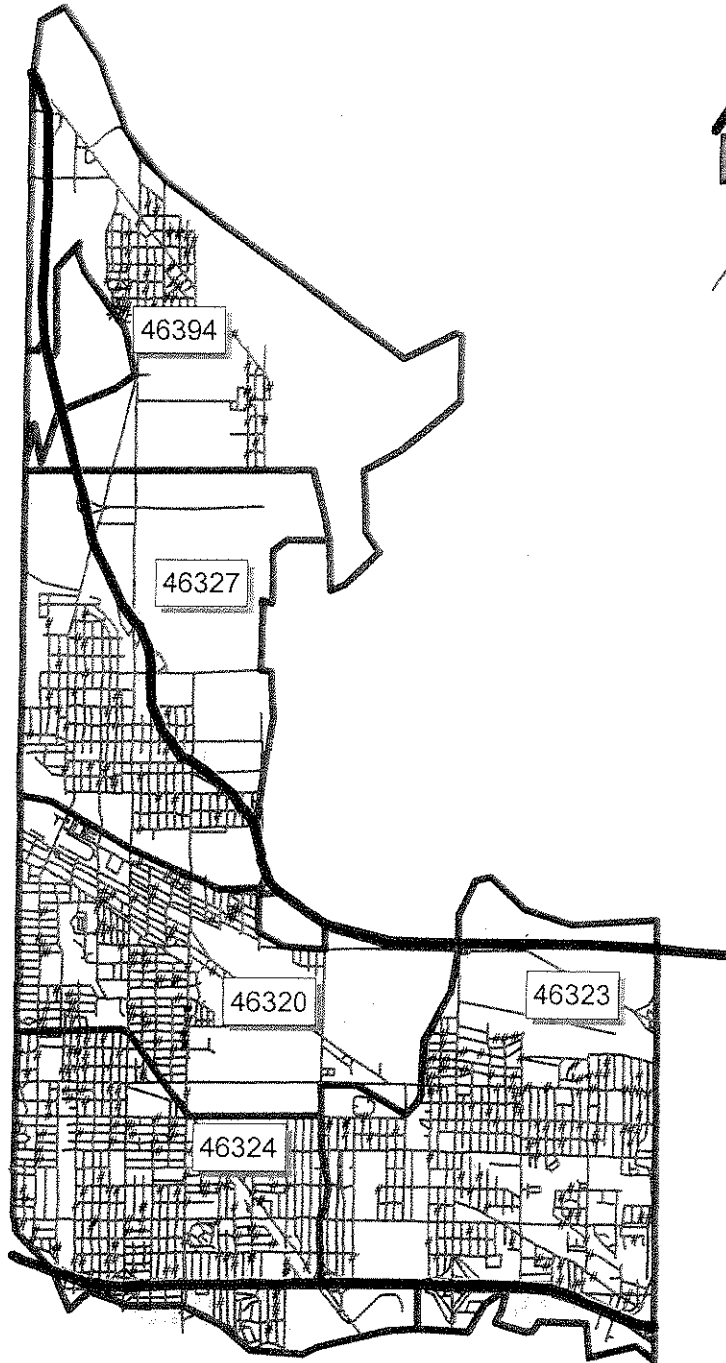
# Map #1: HUD Risk Score



# Map #2: High Cost Loans



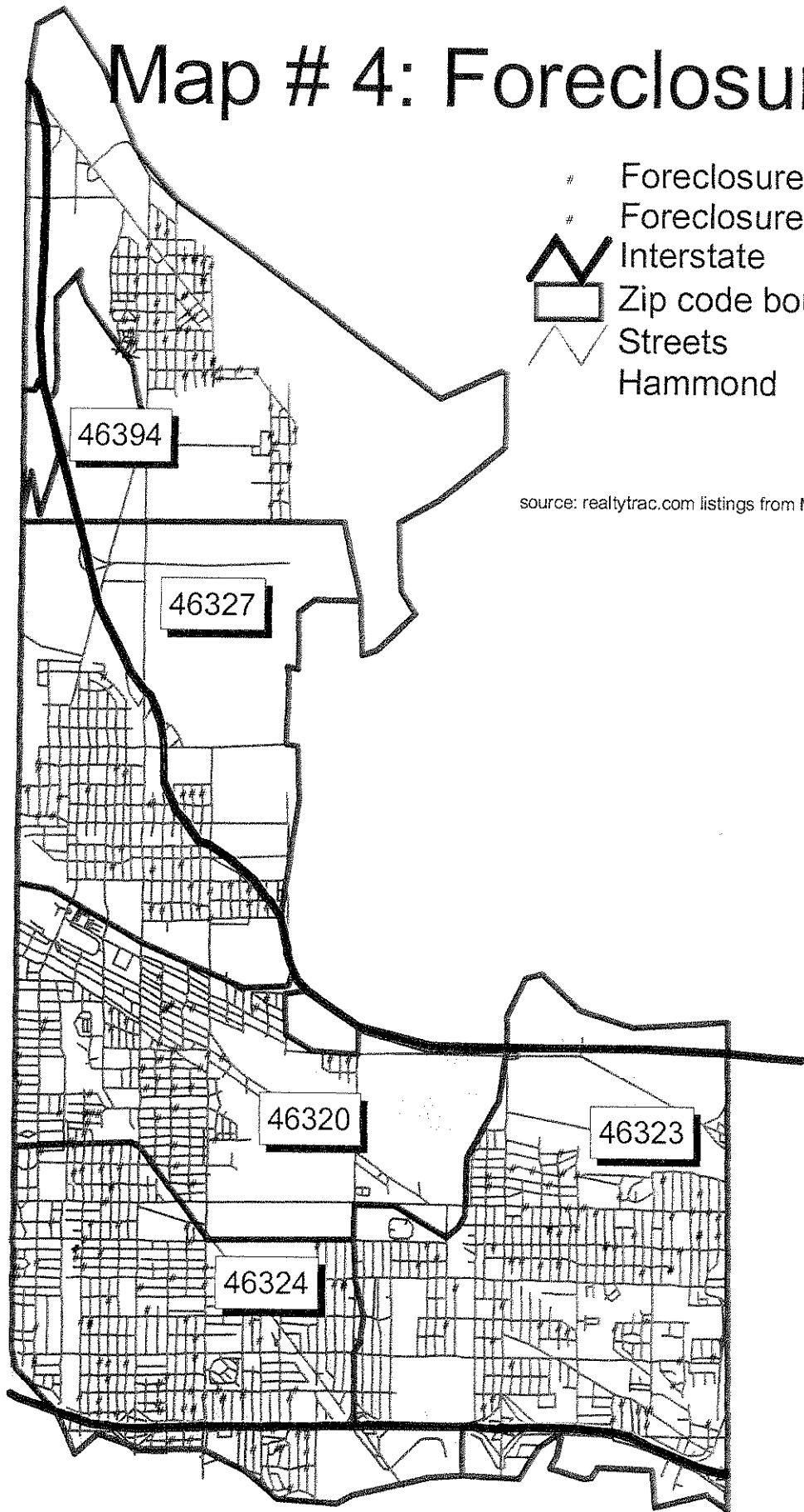
# Map #3: Preforeclosures & Auctions



- # Pre-Foreclosures
- Interstate
- Zip code boundaries
- # Pre-foreclosures
- Streets
- Hammond

source: Realtytrac.com listings from May to October 2008

# Map # 4: Foreclosures



- # Foreclosures
- # Foreclosures
-  Interstate
-  Zip code boundaries
-  Streets
-  Hammond

source: realtytrac.com listings from May to October 2008

**Table 1: Risk of Destabilization by Census Block Group**

Census Tract	Block Group	HUD Risk Score	High Cost Loans	Census Tract	Block Group	HUD Risk Score	High Cost Loans
020100	1	9	35.3%	021000	3	10	54.3%
020100	2	9	35.3%	021000	4	10	54.3%
020100	3	9	35.3%	021000	5	10	54.3%
020100	4	9	35.3%	021000	6	10	54.3%
020100	5	9	35.3%	021100	1	9	47.8%
020200	1	9	31.1%	021100	2	9	47.8%
020200	2	9	31.1%	021100	3	9	47.8%
020200	3	9	31.1%	021100	4	9	47.8%
020200	4	9	31.1%	021100	5	9	47.8%
020200	4	9	31.1%	021300	1	9	48.8%
020300	1	10	44.3%	021300	2	9	48.8%
020300	2	10	44.3%	021300	3	9	48.8%
020300	3	10	44.3%	021400	1	10	54.6%
020300	4	10	44.3%	021400	2	10	54.6%
020300	5	10	44.3%	021400	3	10	54.6%
020300	6	10	44.3%	021400	4	10	54.6%
020400	1	10	49.5%	021400	5	10	54.6%
020400	2	10	49.5%	021500	1	10	33.2%
020400	3	10	49.5%	021500	2	10	33.2%
020400	4	10	49.5%	021500	3	10	33.2%
020400	5	10	49.5%	021600	1	10	43.3%
020500	1	10	61.8%	021600	2	10	43.3%
020500	2	10	61.8%	021600	3	10	43.3%
020500	3	10	61.8%	021700	1	10	53.1%
020500	4	10	61.8%	021700	2	10	53.1%
020600	1	10	42.9%	021700	3	10	53.1%
020600	2	10	42.9%	021700	4	10	53.1%
020600	3	10	42.9%	021700	5	10	53.1%
020700	1	10	49.3%	021800	1	10	44.1%
020700	2	10	49.3%	021800	2	10	44.1%
020700	3	10	49.3%	021800	3	10	44.1%
020700	4	10	49.3%	021800	4	10	44.1%
020700	5	10	49.3%	021800	5	10	44.1%
020800	1	10	66.3%	021900	1	10	51.0%
020800	2	10	66.3%	021900	2	10	51.0%
020800	3	10	66.3%	021900	3	10	51.0%
020800	4	10	66.3%	021900	4	10	51.0%
020800	5	10	66.3%	021900	5	10	51.0%
020800	6	10	66.3%	022000	1	9	46.5%
020900	1	10	38.5%	022000	2	9	46.5%
020900	2	10	38.5%	022000	3	9	46.5%
020900	3	10	38.5%	022000	4	9	46.5%
021000	1	10	54.3%	040300	5	6	16.6%
021000	2	10	54.3%				

**Table 2: Pre-Foreclosure and Foreclosure Data by Zip Code**

Zip Code	Pre-Foreclosure/ Auctions	Foreclosures	Total	Percent of Total
46320	80	59	139	20%
46323	113	72	185	26%
46324	129	94	223	32%
46327	35	35	70	10%
46394	62	26	88	12%
Total	419	286	705	100%

**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.*

After reviewing the data listed in Section A of this application, staff has determined that **ALL areas of the City except census tract 040300- block group 5 as described on page 3** face a high risk of destabilization due to the foreclosure crisis. Therefore, the City will administer all NSP programs on a city-wide basis. The City used the following rationale in making this decision:

- With the exception of one block group (census tract 040300- block group 5), all block groups within the City were rated a 9 (25% of City's block groups) or 10 (74% of City's block groups) on HUD's foreclosure risk scale.
- With one exception of census tract 040300- block group 5, all block groups have a High Cost Loan Rate higher than thirty percent.
- The addresses of the pre-foreclosures and foreclosures are distributed fairly uniformly throughout the City and are not concentrated in a particular neighborhood or section of the City.
- The City has received several requests for foreclosure assistance and for information regarding foreclosure in recent months. According to City staff, these requests have come from all areas of the City.

**C. Definitions and Descriptions**

For the purposes of the NSP program, the City will adopt and use the following definitions.

**Blighted Structure:**

A structure will be considered blighted when it meets the following Indiana Unsafe Buildings and Unsafe Premises condition as defined in Indiana Statute condition:

IC 36-7-9-4 Unsafe buildings and unsafe premises described  
Sec. 4.



(a) For purposes of this chapter, a building or structure, or any part of a building or structure, that is:

- (1) in an impaired structural condition that makes it unsafe to a person or property;
- (2) a fire hazard;
- (3) a hazard to the public health;
- (4) a public nuisance;
- (5) dangerous to a person or property because of a violation of a statute or ordinance concerning building condition or maintenance; or

(6) vacant and not maintained in a manner that would allow human habitation, occupancy, or use under the requirements of a statute or an ordinance;  
is considered an unsafe building.

(b) For purposes of this chapter:

- (1) an unsafe building; and
  - (2) the tract of real property on which the unsafe building is located;
- are considered unsafe premises.

(c) For purposes of this chapter, a tract of real property that does not contain a building or structure, not including land used for production agriculture, is considered an unsafe premises if the tract of real property is:

- (1) a fire hazard;
- (2) a hazard to public health;
- (3) a public nuisance; or
- (4) dangerous to a person or property because of a violation of a statute or an ordinance.

### **Affordable Rents**

For the purposes of the NSP program, the City will utilize the definition of High-HOME rents from the HOME Investment Partnerships (HOME) program.

Unit Size	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Rent Limit	490	611	745	890	919	1057	1195

### **Continued Affordability**

For the purposes of the NSP program, the City will adopt the affordability rules set forth in the HOME program. Specifically, the City will follow 24 CFR 92.252(e) for rental projects and 24 CFR 92.254(a)(4) for homebuyer project. The City will utilize deed restrictions to enforce the affordability of assisted properties:

- For properties that are sold to income-eligible homebuyers, the deed restriction will ensure that the property remains the homebuyer's principle residence for a period of time not less than that required under 24 CFR 92.254(a)(4).

- For rental properties that are sold to non-profit agencies, the deed restriction will ensure that all units are rented to households earning less than 50 percent of median area income for a period of time not less than that required under 24 CRR 92.252(e).

### **Rehabilitation Standards**

For the purposes of the NSP program, the City will utilize the same rehabilitation standards used for its HOME-funded Owner-Occupied Rehabilitation Program. These standards are based upon local housing codes and comply with the 2003 International Residential Code with Indiana Amendments. Structures with more than two units must comply with the IBC with Indiana Amendments.

### ***D. LOW INCOME TARGETING***

*Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income. Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.*

The City will receive \$3,860,473 in NSP funds. At least twenty-five percent of these funds (\$965,118.37) will be reserved for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will benefit households whose incomes do not exceed 50% of the area median income. This requirement will be satisfied with the activity number 5 on page 13.

NSP Income Limits – Lake County, IN							
FY 2008 Income Limits for 50% of HUD Area Median Income							
1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
\$21,500	\$24,550	\$27,650	\$30,700	\$33,150	\$35,600	\$38,050	\$40,500
FY 2008 Income Limits for 120% of HUD Area Median Income							
1 person household	2 person household	3 person household	4 person household	5 person household	6 person household	7 person household	8 person household
\$51,600	\$58,950	\$66,300	\$73,700	\$79,550	\$85,450	\$91,350	\$97,250

### E. Acquisitions & Relocation

*Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units. If so, include the number of low- and moderate-income dwelling units 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 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), and the number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.*

The one-for-one replacement requirements at 24 CFR 570.488, 570.606(c), and 42.375 are waived for low- and moderate-income dwelling units demolished or converted in connection with an activity assisted with NSP funds. The City will undertake demolition of housing units when the unit meets the definition of a blighted structure and rehabilitation and redevelopment does not prove feasible. The City expects that approximately five units will be demolished each year as a direct result of NSP activities.

The city projects the purchase and rehabilitation of 30 NSP affordable housing units being 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 city projects the purchase and rehabilitation or new construction of 10 NSP affordable housing units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

The city does not plan on converting any occupied or vacant occupiable low- mod income dwelling units to standard units.

## **F. Public Comment**

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

The City published a public notice announcing the availability of the NSP Substantial Amendment for review and comment in The Times on November 10, 2008. The public comment period starts on November 11th and ends on November 30. In addition, the City posted a copy of the draft amendment in its entirety on its website at: [www.gohammond.com](http://www.gohammond.com) on November 10, 2008.

All written comments received by the City during the public comment period will be considered before submitting a final amendment to HUD. All comments should be addressed to: Rick Calinski, 649 Conkey Street, Hammond, IN 46324.

To date Nov. 26, 2008, the City received one public comment on the NSP Substantial Amendment which was posted on the city's website. This comment was from a citizen from one of the city's oldest neighborhoods asking for the demolition of abandoned homes in her neighborhood.

## G. NSP Information by Activity

**ACTIVITY #1: FINANCING MECHANISMS FOR PURCHASE AND REHABILITATION OF FORECLOSED AND RESIDENTIAL PROPERTIES**

- (2) Activity Type: NSP eligible use: 2301(c)(3)(A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers. CDBG eligible activity: 24 CFR 570.201 (n) Homeownership assistance. CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act.
- (3) National Objective: Low-Mod-Middle Income Housing (LMMH) – Provides or improves residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.
- (4) Projected Start Date: December 1, 2008
- (5) Projected End Date: July 30, 2013
- (6) Responsible Organization: City of Hammond, Department of Planning and Development  
649 Conkey Street, Hammond, IN 46324  
Contact: Rick Calinski Phone: (219) 853-6371  
Email: [calinskir@gohammond.com](mailto:calinskir@gohammond.com)
- (7) Location Description: Foreclosures throughout the City. Specific addresses yet to be determined. Locations will be based on areas of greatest need.
- (8) Activity Description: The City will provide financing to income eligible homebuyers to purchase redeveloped properties and rehabilitated homes and properties in target areas. This activity will be carried out in conjunction with Activity #2. Eligible homebuyers are households with income at or below 120% of the area median income. It is not expected that the activity will benefit households below 50% of the area median income. Affordability periods, secured by second mortgages at 0%, will be based on those of the HOME Program found at 24 CFR 92.254(a)(4). The term of the second mortgage depends on the debt capacity of the homebuyer.
- (9) Total Budget: NSP Funds: \$300,000.00
- (10) Performance Measures
- |                        |                   |
|------------------------|-------------------|
| Households             |                   |
| At or below 50% income | 0 units           |
| 51 to 80% income       | 0 units           |
| 80 to 100% income      | 15 units per year |
| 100 to 120% income     | 15 units per year |

**ACTIVITY #2: ACQUISITION-REHABILITATION OF FORECLOSED AND RESIDENTIAL PROPERTIES**

- (2) Activity Type: NSP eligible use: 2301(c)(3)(B) – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. CDBG eligible activity: 24 CFR 570.201(a) Acquisition, 570.202 Rehabilitation, and 570.201(b) Disposition.
- (3) National Objective: Low-Mod-Middle Income Housing (LMMH) – Provides or improves residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.
- (4) Projected Start Date: December 1, 2008
- (5) Projected End Date: July 30, 2013
- (6) Responsible Organization: City of Hammond, Department of Planning and Development  
649 Conkey Street, Hammond, IN 46324  
Contact: Rick Calinski Phone: (219) 853-6371  
Email: [calinskir@gohammond.com](mailto:calinskir@gohammond.com)
- (7) Location Description: Foreclosures throughout the City. Specific addresses yet to be determined. Locations will be based on areas of greatest need.
- (8) Activity Description: The City will purchase and rehabilitate foreclosed homes and properties in target areas. Homes will be bought at a minimum discount of fifteen percent from the appraised value. Units will be sold to homebuyers whose household income is at or below 120% of the area median income. It is not expected that the activity will benefit households below 50% of the area median income. Affordability periods, secured by second mortgages at 0%, will be based on those of the HOME Program found at 24 CFR 92.254(a)(4). The term of the second mortgage depends on the debt capacity of the homebuyer.
- (9) Total Budget: NSP Funds: \$1,500,000.00
- (10) Performance Measures
- |                              |                   |
|------------------------------|-------------------|
| Acquisition & Rehabilitation |                   |
| At or below 50% income       | 0 units           |
| 51 to 80% income             | 0 units           |
| 80 to 100% income            | 15 units per year |
| 100 to 120% income           | 15 units per year |

**ACTIVITY #3: LAND BANKING**

- (2) Activity Type: NSP eligible use: 2301(c)(3)(C) establish land banks for homes that have been foreclosed upon. CDBG eligible activity: 24 CFR 570.201(a) Acquisition and (b) Disposition.
- (3) National Objective: Low-Mod-Middle Income Area (LMMA) – Serves an area in which at least 51 percent of the residents have incomes at or below 120 percent of area median income.
- (4) Projected Start Date: December 1, 2008
- (5) Projected End Date: July 30, 2013
- (6) Responsible Organization: City of Hammond, Department of Planning and Development  
649 Conkey Street, Hammond, IN 46324  
Contact: Rick Calinski Phone: (219) 853-6371  
Email: [calinskir@gohammond.com](mailto:calinskir@gohammond.com)
- (7) Location Description: Foreclosures throughout the City. Specific addresses yet to be determined. Locations will be based on areas of greatest need.
- (8) Activity Description: The City will purchase foreclosed homes in target areas. Homes will be bought at a minimum discount of fifteen percent from the appraised value. Properties will be held and maintained until redeveloped in conjunction with Activity #5 below.
- (9) Total Budget: NSP Funds: \$150,000
- (10) Performance Measures
- |                        |                  |
|------------------------|------------------|
| Acquisition            |                  |
| At or below 50% income | 0 units          |
| 51 to 80% income       | 0 units          |
| 80 to 100% income      | 2 units per year |
| 100 to 120% income     | 3 units per year |

**ACTIVITY #4:**

**DEMOLITION OF BLIGHTED STRUCTURES**

- (2) Activity Type: NSP eligible use: 2301(c)(3)(D) demolish blighted structures. CDBG eligible activity: 24 CFR 570.201(d) Clearance for blighted structures only.
- (3) National Objective: Low-Mod-Middle Income Area (LMMA) – Serves an area in which at least 51 percent of the residents have incomes at or below 120 percent of area median income.
- (4) Projected Start Date: December 1, 2008
- (5) Projected End Date: July 30, 2013
- (6) Responsible Organization: City of Hammond, Department of Planning and Development  
649 Conkey Street, Hammond, IN 46324  
Contact: Rick Calinski Phone: (219) 853-6371  
Email: [calinskir@gohammond.com](mailto:calinskir@gohammond.com)
- (7) Location Description: Blighted structures throughout the City. Specific addresses yet to be determined. Locations will be based on areas of greatest need.
- (8) Activity Description: The City will demolish and clear structures that meet the definition of blighted included in this submission. This activity is not expected to benefit households below 50% of the area median income. After clearance, some properties may be redeveloped in conjunction with Activity #5 below.
- (9) Total Budget: NSP Funds: \$80,000.00
- (10) Performance Measures  
Demolition  
Blighted Structures 5 units



**ACTIVITY #5:**

**REDEVELOPMENT OF DEMOLISHED, VACANT PROPERTIES**

- (2) Activity Type: NSP eligible use: 2301(c)(3)(E) redevelop demolished or vacant properties. CDBG eligible activity: 24 CFR 570.201(a) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, (i) Relocation, and (n) Direct homeownership assistance.
- (3) National Objective: Low-Mod-Middle Income Housing (LMMH) – Provides or improves residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.
- (4) Projected Start Date: December 1, 2008
- (5) Projected End Date: July 30, 2013
- (6) Responsible Organization: City of Hammond, Department of Planning and Development  
649 Conkey Street, Hammond, IN 46324  
Contact: Rick Calinski Phone: (219) 853-6371  
Email: [calinskir@gohammond.com](mailto:calinskir@gohammond.com)
- (7) Location Description: Vacant properties throughout the City. Specific addresses yet to be determined.
- (8) Activity Description: The City will use funds to redevelop vacant properties into housing within target areas. At least \$965,118.37 will be used for the purchase and redevelopment of properties that will benefit households whose incomes do not exceed 50% of the area median income. In order for this activity to meet the statutory requirements that 25% (\$965,118.37) of NSP funds are to serve those at or below 50% of AMI, the city of Hammond will ensure the property that is redeveloped for these cases have been either foreclosed or abandoned. The City will secure deed restrictions to ensure that all units comply with the affordability periods of the HOME Program (24 CFR 92.252(e) for rental and 92.254(a)(4) for homebuyer). Homes will be bought at a minimum discount of fifteen percent from the appraised value.
- (9) Total Budget: NSP Funds: \$1,444,426.13
- (10) Performance Measures
- |                          |                  |
|--------------------------|------------------|
| Development of new units |                  |
| At or below 50% income   | 10 units         |
| 51 to 80% income         | 0 units          |
| 80 to 100% income        | 2 units per year |
| 100 to 120% income       | 3 units per year |

**ACTIVITY #6: ADMINISTRATION OF THE NSP PROGRAM**

- (2) Activity Type: CDBG eligible activity: 24 CFR 570.206 General Planning and Administration
- (3) National Objective: Not Applicable for Administration
- (4) Projected Start Date: December 1, 2008
- (5) Projected End Date: July 30, 2013
- (6) Responsible Organization: City of Hammond, Department of Planning and Development  
649 Conkey Street, Hammond, IN 46324  
Contact: Rick Calinski  
Phone: (219) 853-6371  
Email: [calinskir@gohammond.com](mailto:calinskir@gohammond.com)
- (7) Location Description: Not Applicable for Administration
- (8) Activity Description: The City will pay for staff and other delivery costs to ensure the NSP program is run effectively and satisfies all federal requirements.
- (9) Total Budget: NSP Funds: \$386,047.35
- (10) Performance Measures: Not Applicable for Administration

## **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): City Of Hammond Lead Agency: Dept. of Planning & Development Jurisdiction City Address: www.gohammond.com <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Rick Calinski Address: 649 Conkey St Telephone: 219-853-6371 Fax: 219-853-6334 Email: calinskir@gohammond.com
--	---

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 2-4 and Maps #1, #2, #3, #4 (map pages 18-20.)

### ***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 4.

**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 4.

- a definition of “affordable rents,”  
Yes  No . Verification found on page 5.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,  
Yes  No . Verification found on page 5.
- a description of housing rehabilitation standards that will apply to NSP assisted activities?  
Yes  No . Verification found on page 5.

***D. INFORMATION BY ACTIVITY***

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

- eligible use of funds under NSP,  
Yes  No . Verification found on page 8,9,10.
- correlated eligible activity under CDBG,  
Yes  No . Verification found on page 8,9,10.
- the areas of greatest need addressed by the activity or activities,  
Yes  No . Verification found on page 8,9,10.
- expected benefit to income-qualified persons or households or areas,  
Yes  No . Verification found on page 8,9,10.
- appropriate performance measures for the activity,  
Yes  No . Verification found on page 8,9,10.
- amount of funds budgeted for the activity,  
Yes  No . Verification found on page 8,9,10.
- the name, location and contact information for the entity that will carry out the activity,  
Yes  No . Verification found on page 8,9,10.
- expected start and end dates of the activity?

Yes  No . Verification found on page 8,9,10.

***E. SPECIFIC ACTIVITY REQUIREMENTS***

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

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,  
Yes  No . Verification found on page 8,9.

If the activity provides financing,

- the range of interest rates (if any),  
Yes  No . Verification found on page 8.

If the activity provides housing,

- duration or term of assistance,  
Yes  No . Verification found on page 8,9.
- tenure of beneficiaries (e.g., rental or homeownership),  
Yes  No . Verification found on page 8,9.
- does it ensure continued affordability?  
Yes  No . Verification found on page 8,9.
- 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 8,9.

***F. LOW INCOME TARGETING***

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?  
Yes  No . Verification found on page 5.
- 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 5.

Amount budgeted = \$ 965,118.37.

**G. DEMOLISHMENT OR CONVERSION OF LOW- AND MODERATE-INCOME UNITS**

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

Yes  No . (If no, continue to next heading)

Verification found on page 6.

Does the substantial amendment include:

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

Yes  No . Verification found on page 5.

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

Yes  No . Verification found on page 6.

- 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 6.

**H. PUBLIC COMMENT PERIOD**

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

Yes  No . Verification found on page 6.

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

Yes  No . Verification found on page 6.

**I. WEBSITE PUBLICATION**

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

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



Website URL: www.gohammond.com

***K. CERTIFICATIONS***

The following certifications are complete and accurate:

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