

NSP GRANT SUBMISSION TEMPLATE

& CHECKLIST

(UPDATED 10.21.08)

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

- (1) The NSP Substantial Amendment (attached below)
- (2) Signed and Dated Certifications (attached below)
- (3) Signed and Dated [SF-424](#).

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>City of Jersey City – Division of Community Development</u> <i>(identify lead entity in case of joint agreements)</i> Jurisdiction Web Address: http://jerseycitynj.gov/hedc.aspx?id=1176 <ul style="list-style-type: none"><i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Darice Toon Address: 30 Montgomery Street, Room 404, Jersey City, NJ 07302 Telephone: 201-547-5304 Fax: 201-547-5986 Email: darice@jcnj.org
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A. AREAS OF GREATEST NEED

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

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

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

Response:

2000 DEMOGRAPHIC PROFILE

Jersey City is the second largest city in the State of New Jersey and the largest in Hudson County. It is an urban environment with a land area of 14.9 square miles and a population density of 12,956.9 people per square mile. Jersey City has one of the highest concentrations of low- to moderate-income persons in the state. Jersey City is comprised of six (6) wards and the population in each ward is fairly evenly distributed (see Table 1).

TABLE 1:

Jersey City Population by Ward

WARD	POPULATION
A	41,179
B	38,927
C	39,816
D	41,088
E	40,612
F	38,433

Source: 2000 Census

The areas of greatest need in Jersey City are as follows:

TARGETED NEIGHBORHOODS

WARD A

Ward A Targeted Boundaries

Van Nostrand Avenue between Kennedy Boulevard and Ocean Avenue and from Woodlawn Avenue to Van Nostrand Avenue between Martin Luther King Drive and Garfield Avenue.

Ward A Description*

The Greenville neighborhood is situated on the southern tip of Jersey City. It stretches from the Tidal Basin of the Hudson River on its east to the Hackensack River/Route 440 on its West, with Culver Avenue as its northern border.

There are several residential communities in Greenville. The older section of single-family homes, built in the early 1900s, is located on the eastern edge of the area. It is adjacent to the Greenville Yards, industrial railroad spurs built in the early 1900's. In the early 1960's, "Country Village" was built along the western edge, with blocks of two-family attached and detached houses created in a curved pattern to allow for winding streets. Several senior citizen mid-rise buildings were also constructed during the 1960s.

The latest residential growth occurred in the late 1990's with the creation of Franklin Village adjacent to Our Lady of Mercy (OLM) church and school. In the year 2000, close to 60% of all housing units in the Greenville area were owner-occupied, a proportion far greater than the 27% citywide.

Of Greenville's more than 43,000 residents, almost 80% were born in the U.S. Median family income in 1999 stood at \$42,206, somewhat above the \$41,639 citywide average. In the year 2000, about 40% of all residents in the Greenville

*Denotes neighborhood profiles were excerpted from the Jersey City Five Year Strategic Economic Development Plan prepared by Buckhurst Fish & Jacquemart, Inc.

Ward A Description (Cont'd)

area 25 years of age and over had some college or were college graduates. Just over a quarter of all adults had less than a high school education.

Rationale

The City of Jersey City will target a few blocks – Armstrong Avenue, Woodlawn Avenue and Van Nostrand Avenue – in Ward A which is located in a high risk area. These blocks border the area in the City that is very high risk. In particular, Van Nostrand Avenue is a stable block that consists of primarily 2 family structures. The block contains six (6) bank owned foreclosures that could be purchased by eligible families. In addition, neighborhood blocks in Ward A contain several foreclosed properties. Van Nostrand Avenue also contains four (4) abandoned properties. The City recently acquired and demolished three (3) vacant properties that are in the pipeline for development by a local non-profit. Also, the block contains two (2) dilapidated pocket parks that are scheduled to be rehabilitated within the next twelve (12) months.

The following is a list of projects in planning in this neighborhood:

- △ New construction of three (3) two-family affordable homes that will be sold to moderate income families.

- △ Refurbishment of two (2) dilapidated pocket parks.

Other projects in planning within this neighborhood are:

Project Name	No. of Units	Project Location
Bay Bay Senior Housing	62 units of affordable senior housing	9 -11 Martin Lither King Drive
Ocean Point East / West	59 units of affordable senior housing	Ocean Avenue between Dwight Street and Fulton Avenue

WARD A TARGETED NEIGHBORHOOD VIEWS



WARD B

Ward B Targeted Boundaries

Lexington Avenue from Kennedy Boulevard to Westside Avenue

Ward B Description*

The **West Side** neighborhood, located on the western edge of Jersey City is one of the oldest and most densely populated parts of the City. It was, at one time, home to several large industrial centers and still has several large manufacturers and industrial operations, primarily along the southern edge of Westside Avenue.

West Side's major retail center is located on West Side Avenue. Other retail corridors include one along Communipaw Avenue and the other along Kennedy Boulevard.

New Jersey City University (NJCU), located along the southern edge of the area on Culver Avenue, has been a major engine of economic renewal. It is redeveloping the University's campus and has purchased properties in the vicinity of the campus for mixed-use development including student housing.

Housing in the area ranges from single-family Victorian homes surrounding Lincoln Park to pre-war high-rise dwellings to two-three story row houses interspersed with detached single-family homes. Rental units account for about two-thirds of all housing in the area.

Of the area's close to 31,000 residents, about a third were born outside of the U.S. Median family income in 1999 stood at \$40,736 just about the same as the City median income of \$40,639. In the year 2000, about 42% of all residents in the area 25 years of age and over had some college or were college graduates. About 30% of all adults had less than a high school education.

Rationale

The City will target one block – Lexington Avenue – in Ward B which is located in a high risk area. Lexington Avenue contains a combination of multi-family apartment buildings and two-family homes. Ward B has the third highest percentage of foreclosures of the six (6) wards in Jersey City. The area is high risk based on the number of high cost loans. Also, the area contains a few clusters of abandoned properties.

WARD B TARGETED NEIGHBORHOOD VIEWS



WARD F

Ward F Targeted Boundaries

Generally within the boundaries of Garfield Avenue, Ocean Avenue, Bergen Avenue, Kennedy Boulevard and Martin Luther King Drive; from Communipaw Avenue to Woodlawn Avenue (see map). Also, the City will target Jewett Avenue between Monticello and Summit Avenues.

Ward F Description*

The Martin Luther King-Bergen/Lafayette (MLK-B/L) neighborhood is located in the central part of Jersey City. It is surrounded by five other neighborhoods. Liberty State Park is its eastern border and Bergen Avenue in the West Side neighborhood its western border. The northern border is jagged around Grand Street and Fairmont Avenue in McGinley Square. The southern border is Wegman Parkway separating MLK-B/L from Greenville. The principal retail center in the MLK-B/L neighborhood runs along Martin Luther King Drive. The Drive was previously known as Jackson Avenue, an upscale shopping corridor in the 1940s and 1950s. Storefronts of many original Jackson Avenue stores are still evident. Retailers are using some today; others stand vacant. Several smaller retail strips run along other east-west roads in the neighborhood.

The Neighborhood Stabilization Program (NSP) areas of greatest need in Ward F are located in and around the MLK Hub and beyond. The MLK Hub, located along MLK Drive and Virginia Avenue, is one of Jersey City's most ambitious inner-city economic revitalization projects. The Hub is home to a new firehouse, a supermarket and retail strip mall and a new post office. Significant investment of public capital has been invested in the area.

At one time, there were a number of manufacturing companies on sites located on the eastern edge of the neighborhood, around Garfield Avenue bordering Liberty State Park. These sites, once abandoned, are being purchased with the intention of turning them into residential uses. With two light rail stops in or adjacent to the area, it is more accessible to downtown Jersey City and New York City than any other part of Jersey City, with the exception of the Waterfront.

There are several low-income housing projects scattered throughout the Martin Luther King/Bergen/Lafayette neighborhood. In the year 2000, rental units comprised about 70% of all housing units in the area. Of its close to 25,000 residents, almost 85% were born in the U.S. Median family income in 1999 stood at \$30,306, significantly below the \$41,639 median income for the City as a whole. In the year 2000, close to one out of every three adults over the age of 25 had some college or a college degree. However, the same proportion also had less than a high school education.

Rationale

The area of greatest risk of subprime loans, foreclosures and abandonment in Jersey City is Ward F (see map).

More than forty-five percent (45.8%) of foreclosed properties tracked by the Hudson County Sheriff's Office and Realty Trac are located in Ward F. (January 2007 – July 2008). In addition, approximately fifty-one percent (51%) of abandoned properties in Jersey City are located in Ward F. NSP investments on targeted blocks along with other targeted investments will have a measurable impact.

The City has a few redevelopment plans in place for major corridors (MLK Drive, Ocean Avenue and Monticello Avenue) in Ward F. Also, specific neighborhood plans have been developed for Monticello Avenue and the surrounding neighborhood. Several developments are in various stages of planning or development in Ward F. The following is a list of completed projects and developments in planning:

Recently Completed Projects / Under Construction

Project Name	Project Description	Project Location
Harriet Tubman Homes	Project consists of 8 mix income townhouses	Martin Luther King Drive between Bostwick Avenue and Myrtle Street
Cunningham Library	Full service library	Martin Luther King Drive between Bostwick Avenue and Myrtle Street
Urban League of Hudson County Headquarters	Headquarters for the Urban League of Hudson County	Martin Luther King Drive between Wilkinson Avenue and Bostwick Avenue
RPM Development	New Construction Multi-Family Affordable Housing Development	Bostwick Avenue between Martin Luther King Drive and Ocean Avenue
Toy Factory Apartments	46 affordable rental housing units	336 – 348 Bergen Avenue
Bernius Court	11 single family homes	1 – 5 Bernius Court and 324 – 334 Bergen Avenue
Forrest Senior Apartments	New Construction of 43 affordable senior apartments	376 – 382 Bergen Avenue
Ocean Point	59 affordable senior housing units	Ocean Avenue between Dwight Street and Fulton Avenue
Monticello Avenue Streetscape	Lighting, sidewalks and street amenities	McGinley Square to Montgomery Street to Communipaw Avenue
Monticello Avenue Block Front	Façade improvements	Brinkerhoff Avenue to Astor Place
MLK Drive Block Front	Façade improvements on the east and west sides of the streets	Martin Luther King Drive between Orient and Myrtle Avenues

Projects in Planning

Proposed Project	Project Location
Mixed income transit village to consist of approximately one hundred (100) units.	MLK Hub
Ten (10) unit new construction affordable rental housing project.	311 – 315 Martin Luther King Drive
Seven (7) unit new construction affordable rental housing project.	301 Martin Luther King Drive
New construction of a 120 unit mixed income housing project.	Monticello and Fairview Avenues
Ten (10) unit new construction affordable rental housing project.	239 – 241 Martin Luther King Drive

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:

The city of Jersey City will distribute NSP funds primarily to the very high risk area in the City and three (3) targeted high risk blocks. Areas were targeted based on:

- The number and percentage of home foreclosures
- The number and percentage of homes financed by subprime mortgages
- The number and percentage of homes in default or delinquency

Other risk factor criteria used by the City include the number of vacant and blighted properties and areas where households earn less than 120 percent of the Area Median Income. Additional criteria for targeted blocks include areas where more than 51% of area residents earn 80% or below the Area Median Income (AMI).

The city of Jersey City will undertake the following activities within the target areas:

- 1) Acquire and rehabilitate homes that have been foreclosed upon and sell properties to households earning up to 120% of AMI. Because Jersey City consists of primarily multi-family units, homes acquired for re-sale purposes will consist of two (2) family properties. These properties contain

- at least one (1) rental unit. At least 10 rental units will be restricted to families at 50% of AMI or below. In addition, up to 15 rental units will be unrestricted. In cases where NSP funds are used to acquire properties that will serve as rental or special needs housing, all units will be reserved for individuals/families at 50% or below the AMI.
- 2) Demolish and/or secure vacant and blighted abandoned properties.
 - 3) Administration

Overall Strategy

- Concentrate on stabilizing side streets off main corridors.
- Negotiate with lenders to assist prospective homebuyers to acquire foreclosed properties at a discount (at least 15%).
- Provide soft-second mortgages to fill affordability gaps. Mortgages will be provided for eligible owner-occupants who will maintain the property as affordable. As appropriate, rental units will be rented to families at 50% or below AMI.
- Determine the status of abandoned properties within the designated areas and develop a plan for rehabilitation or demolition of properties that are a nuisance in targeted neighborhoods.
- Contract with subrecipient(s) to acquire and rehabilitate properties to be sold and/or rented to eligible families.
- Leverage NSP funds by piggybacking on the City’s First Time Homebuyer and Live Where You Work Programs for eligible families.
- Implement targeted Homeowner Rehabilitation Program (HORP) in very high risk and high risk areas.

Distribution and Uses of Funds	
Jersey City Allocation \$2,153,431	
I. Administration	\$153,431
II. Acquisition and Rehabilitation of foreclosed upon properties	\$1,500,000
III. Demolition – blighted and abandoned properties	\$500,000
TOTAL	\$2,153,431

WARD F TARGETED NEIGHBORHOOD VIEWS







C. DEFINITIONS AND DESCRIPTIONS

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

Response:

Blighted: a structure is considered blighted when it displays objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare. Additional signs of blight may include buildings that possess major code violations and maintenance problems so as not to be fit for human habitation or fall into so great a state of disrepair as to be untenable.

Abandoned: a home is considered abandoned when mortgage or tax proceedings have been initiated, no mortgage or tax payments have been made by the owner for at least 90 days and the property has been vacant for at least 90 days.

(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:

Affordable Rents: The tenant may not pay more than the allowable federal HOME rent limits. Rental units reserved for families at 50% or below the AMI shall not be rented for more than the low HOME rent limit based on the number of bedrooms.

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

Response:

Continued affordability for NSP assisted housing: All projects assisted with NSP funds will be subject to the following affordability restrictions:

Rental Housing NSP amount per-unit	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New Construction	20

Homeownership NSP amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

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

Response:

Housing Rehab Standards: The NSP will minimally utilize HUD's Housing Quality Standards and the Uniform Construction Rehabilitation Subcode for rehabilitation activities.

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: \$538,358.00.

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

Response:

The City of Jersey City will use a minimum of \$538,358.00 to acquire and rehabilitate foreclosed properties that will house families at 50% or below AMI in individual rental units or special needs housing.

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:

The City of Jersey City anticipates demolishing approximately 10 units in target areas.

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:

The City of Jersey City advertised a Notice of Substantial Amendment in the following newspapers:

- Jersey Journal
- Hudson Reporter
- El Especialito

The public was provided the required 15 calendar days to comment on the plan. This notification was published in the Jersey Journal for purposes of complying with the 15 day comment period. Notices were placed in other local newspapers to reinforce the availability of the plan and the scheduled public hearing. In addition, notices were mailed to local block associations and houses of worship to further advertise the public hearing. (See attached notices). The City held a public hearing at the Mary McLeod Bethune Life Center on November 18, 2008, located at 140 Martin Luther King Drive in Jersey City, New Jersey. The Mary McLeod Bethune Life Center is located in the most at risk NSP target area. Approximately 25 people representing various sectors of the community attended the public hearing. Also, the NSP Plan was made available on the City's website, www.jerseycitynj.gov, effective November 10, 2008.

The following is a summary of comments received during the comment period:

A full transcript of the public hearing is attached. However, the following are the City's responses to specific Neighborhood Stabilization Program (NSP) comments. The page numbers referenced in this section correlate with the transcript contained in the addendum:

Comment Topic: Targeted Area (Page 27)

Response: The City extended the Wards F and A targeted areas to include seven blocks that were previously deleted. As a result, the boundaries for Wards A and F now extend from Grand Street, Ocean Avenue and Forrest Street to Van Nostrand Avenue. As it relates to Lexington Avenue, the City has chosen to maintain the current boundaries due to limited resources.

Comment Topic: Demolition (Page 28)

Response: The City will take the Affordable Housing Coalition's comments into consideration as it relates to demolition.

Comment Topic: Rental Housing (Page 30)

Response: The City's NSP Plan does allow for acquisition and rehabilitation for the purpose of creating rental housing. A couple of modifications were made to clarify this concern.

Comment Topic: Leveraging (Page 31)

Response: The City encourages the leveraging of private sources of funds. The illustration identifies limited sources. To the extent that other sources can be leveraged, it will assist the City in maximizing limited NSP resources.

Comment Topic: Opening Process to More Than One Non-Profit (Page 31)

Response: The City is allowing for more than one non-profit to carry out acquisition and rehabilitation activities. We will also open the process up to for-profit entities.

Comment Topic: Demolition (Page 32)

Response: The City acknowledges the Affordable Housing Coalition's concerns regarding utilizing demolished sites for affordable housing development. The City will evaluate the feasibility of designating demolished sites for affordable housing.

Comment Topic: Creating Financing Mechanisms (Pages 32-33)

Response: NSP does allow communities to earmark funds to establish financing mechanisms for the purchase and redevelopment of foreclosed upon homes, however, due to limited resources, the City has not chosen to implement this activity.

Comment Topic: Morris Canal Area (Page 41)

Response: While the City did not target any areas in the Morris Canal Redevelopment Area, this area and all very high and high risk areas will be included in a targeted Homeowner Rehabilitation Program (HORP) proposed for 2009-2010.

Comment Topic: Vacant Properties (Page 55)

Response: The City recognizes that there is a need to create a plan for properties that have been left vacant. Considering that specific properties have

not been identified, it is difficult to determine the most feasible use of vacant properties at this time.

Comment Topic: Employment and Training (Page 58)

Response: Employment and training are not specifically part of the Neighborhood Stabilization Program. However, if subrecipients choose to use this opportunity to provide training, the City would welcome it provided the subrecipient has demonstrated capacity.

Comment Topic: Rent with Option to Buy (Page 65)

Response: Renting with the option to buy may be a feasible option. However, this option must be carefully evaluated by the City and subrecipients. Subrecipients will have to demonstrate a proven track record in this area.

Comment Topic: Collaborations (Page 72)

Response: The City encourages collaborations between for-profits and non-profits.

Other Written Comments:

Comment Topic: For-Profits as Subrecipients

Response: The City will allow for profits to serve as subrecipients as appropriate. Subrecipients will be required to comply with all NSP requirements and they must have a demonstrated capacity to carry out NSP activities. The City encourages collaborations between non-profit and for-profit entities.

An official transcript is attached in the addendum.

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

(1) Activity Name: **Administration**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)
Administration: 24 CFR 570.205 and 206

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

(4) Activity Description:

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

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

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

(7) Total Budget: (Include public and private components)

\$153,431.00

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

**City of Jersey City
Division of Community Development
30 Montgomery Street
Jersey City, New Jersey 07302
(201) 547-5304
Darice Toon, Director**

(9) Projected Start Date: **March 1, 2009**

(10) Projected End Date: **September 1, 2010**

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

For housing related activities, include:

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

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

(1) Activity Name: **Acquisition and Rehabilitation of Foreclosed Upon Properties**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)
CDBG Eligible uses: 24 CFR 570.201 (a) (n)

- **For Sale**

Acquisition and rehabilitation of properties that have been foreclosed upon. Properties will be sold to households earning up to 120% of AMI. Housing must be owner occupied. Direct homeownership assistance will be provided as necessary for this activity for individuals earning between 80%-120% AMI.

- **Rental Housing**

Acquisition and rehabilitation of properties that have been foreclosed upon. As appropriate properties proposed to be utilized specifically for rental housing may be rented to individuals or households earning up to 50% of AMI.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

Benefit to low-moderate and middle income persons as defined by NSP Notice (120% or below area median income).

(4) Activity Description:

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

Targeting areas that have concentrated high and very high risk loans, foreclosures and abandoned properties. Acquisition and rehab activity in these areas will assist in neighborhood stabilization. This activity will create rental and homeowner units for eligible families. This will assist households earning up to 120% of area median income. At least 25% of the funds will be used to meet the housing requirements of those below 50% of area median income.

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

Foreclosed properties in targeted areas of Wards A, B, & F. (See targeted neighborhood descriptions).

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

25 buildings/50 units of housing – Acquisition and rehabilitation of 25 buildings to create safe, sanitary and affordable housing for up to 50 individuals or families. At least 10 rental units will be occupied by individuals or families earning 50% or below AMI.

- (7) Total Budget: (Include public and private components)

Available Funds for Acquisition and Rehabilitation of Foreclosed Upon Properties: \$1,500,000

Minimum Amount Available for housing benefiting families at 50% or below AMI: \$538,358.

Projected REO price for two (2) family property with minimal rehab: \$260,000 (This price is a projection only)

Projected REO price for two (2) family property with moderate rehab: \$195,000 (This price is a projection only)

Moderate rehab per unit: \$54,422

Minimal rehab per unit: \$13,363

The chart below is for illustrative purposes only. Projected sales prices and other variables may change on a case by case basis.

	Minimal Rehab	Moderate Rehab	Total
Number of Buildings	15	10	25
Number of units	30	20	50
Acquisition	\$3,900,000	\$1,950,000	\$5,850,000
Rehabilitation	400,891	1,088,432	1,489,323
Soft Costs (includes A/E, Rehab, Specialist, Legal, Marketing, Environment, Warranties, Taxes, etc.)	168,000	126,000	294,000
Contingency	223,445	158,222	381,667
Financing	223,444	158,221	381,665
Developer Fee (5%)	134,067	158,222	292,289
TOTAL	\$5,049,847	\$3,639,097	\$8,668,944
Permanent Sources of Funding			
Private Financing	\$4,494,499	\$2,394,445	\$6,888,944
Jersey City NSP	555,348	944,652	1,500,000
JC Golden Neighborhoods		300,000	
TOTAL SOURCES	\$5,049,847	\$3,639,097	\$8,668,944

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

**City of Jersey City
Division of Community Development
30 Montgomery Street
Jersey City, New Jersey 07302
(201) 547-4793
Rodney Hairston, Real Estate Officer**

- (9) Projected Start Date: **March 1, 2009**

- (10) Projected End Date: **September 1, 2010**

- (11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate – **average of 15%**

For financing activities, include:

- range of interest rates – **5.5%-7.5%**

For housing related activities, include:

- duration or term of assistance; **see affordability chart (Definitions – Section C)**
- tenure of beneficiaries--rental or homeownership; **Both**
- a description of how the design of the activity will ensure continued affordability

The city of Jersey City will contract with qualified non-profit or for-profit housing developer(s) to acquire and rehabilitate foreclosed properties. All properties will be acquired at a discount totaling an aggregate of 15%. Families earning above 50% AMI to 120% of AMI will be targeted to acquire properties. Properties will be sold at a price that is not greater than the price to acquire and rehabilitate the property.

All for sale properties must be owner occupied. At least ten (10) rental units will be occupied by families earning 50% or below the AMI. Affordability controls and restrictive covenants will be enforced by executing mortgages, notes and deed restrictions. Controls on rental units will be further enforced by annual recertifications of tenants. Recapture provisions will be incorporated in loan documents.

Homeowners will be required to undertake a minimum of eight (8) hours of pre-purchase counseling on proper steps to homeownership, budgeting, credit counseling and becoming a landlord. Counseling will be provided by a HUD certified counseling

agency. Subrecipients will be required to document their capacity to provide the required counseling.

HUD lead based paint regulatory requirements will be enforced as part of this activity. In all cases, safe work practices and clearance will be enforced. Based on our projections, rehabilitation activities will be less than \$25,000 per unit. Therefore, the City anticipates that subrecipients will have to comply with interim controls. If it is necessary to make repairs totaling more than \$25,000 per unit, lead abatement activities will be enforced. All activities will be carried out in compliance with HUD's lead regulatory requirements.

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

(1) Activity Name: **Demolition of Blighted and Abandoned Structures**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

Demolition of Blighted Structures in LMMI areas – Demolition of blighted structures will be carried out in areas where at least 51% of the residents have incomes at or below 120% of area median income. 24 CFR 570.201 (d)

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., \leq 120% of area median income).

Benefiting low and moderate income persons up to 120% of area median income (AMI) as defined by NSP.

(4) Activity Description:

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

Targeting areas with high risk and very high risk loans and concentrations of abandoned and/or foreclosed upon properties that are blighted. These structures can become a haven for criminal activities. The presence of these properties often impairs the development of a neighborhood and leads to the departure of businesses and residents.

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

Demolition of blighted structures in the targeted neighborhoods in Wards A, B & F. (See targeted area descriptions).

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

10 Units – Demolition of blighted structures in targeted neighborhoods.

(7) Total Budget: (Include public and private components)

\$500,000.00

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

**City of Jersey City
Division of Community Development
30 Montgomery Street
Jersey City, New Jersey 07302
(201) 547-5086
Michael Biondo, Management Specialist**

(9) Projected Start Date: **March 1, 2009**

(10) Projected End Date: **September 1, 2010**

(11) Specific Activity Requirements: **N/A**

For acquisition activities, include:

- discount rate

For financing activities, include: **N/A**

- range of interest rates

For housing related activities, include: **N/A**

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability
Upon demolishing blighted properties, the City will take action to acquire the property for affordable housing development or other eligible activities as appropriate.

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): _____ Lead Agency Jurisdiction Web Address: <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Address: Telephone: Fax: Email:
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

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

Yes **No** . Verification found on pages **2, 4, 6 & 8**.

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 pages **10 & 11**.

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 **15**.

- a definition of “affordable rents,”
Yes **No** . Verification found on page **15**.

- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes **No** . Verification found on page **15**.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?
Yes No. Verification found on page **16**.

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 **11 & 16**.
- 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 **16**.
Amount budgeted = **\$538,358**.

E. ACQUISITIONS & RELOCATION

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?
Yes **No**. (If no, continue to next heading)
Verification found on page _____.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes No. Verification found on page **N/A**.
- 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 **N/A**.
- 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 **N/A**.

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 **17**.

Is there a summary of citizen comments included in the final amendment?
Yes No Verification found on page **17**.

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 **18 - 23**.
- correlated eligible activity under CDBG,
Yes **No** . Verification found on page **20, 22 & 26**.
- the areas of greatest need addressed by the activity or activities,
Yes **No** . Verification found on page **18 & 24**.
- expected benefit to income-qualified persons or households or areas,
Yes **No** . Verification found on page **21 & 24**.
- 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 **21 & 22**.
- appropriate performance measures for the activity,
Yes **No** . Verification found on page **21 & 24**.
- amount of funds budgeted for the activity,
Yes **No** . Verification found on page **21 & 24**.
- the name, location and contact information for the entity that will carry out the activity,
Yes **No** . Verification found on page **18, 22 & 25**.
- expected start and end dates of the activity?
Yes **No** . Verification found on page **18, 22 & 25**.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes **No** . Verification found on page **22**.
- If the activity provides financing, the range of interest rates (if any),
Yes **No** . Verification found on page **22**.
- If the activity provides housing, duration or term of assistance,
Yes **No** . Verification found on page **15**.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes **No** . Verification found on page **20 - 22**.

- does it ensure continued affordability?
Yes **No**. Verification found on page **22**.

H. 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"/> |

Eligible Use Under CDBG

All NSP funds will be used for activities that will benefit Low, Moderate and Middle Income (LMMI) households, individuals or areas.

The City proposes to carry out the following activities to meet the LMMI national objective:

Housing Activities

- (1) Acquisition and rehabilitation of foreclosed upon properties for the purpose of creating for sale or rental housing for eligible populations. Direct Homeownership assistance will be provided as part of this activity.

Area Benefit Activities

- (2) Demolition of blighted structures will be carried out in areas where at least 51% of the residents have incomes at or below 120% of area median income.