

# **THE NSP SUBSTANTIAL AMENDMENT**

State of Maine

Draft for Public Comment

November 13, 2009

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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:

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

### **Methodology**

Neighborhood Stabilization Program Community Development Block Grant funds are designed to "provide targeted 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" (HUD press release, 9/26/08).

In order to decide how to “target” assistance, Maine has evaluated its communities according to three criteria of need and impact:

- 1) How many foreclosures have occurred within the community in 2008. This is the most immediate and obvious indicator available.
- 2) What is the geographic density of foreclosures. Foreclosed houses that are located closely together are more likely to contribute to neighborhood abandonment and blight than those that are spread apart.
- 3) The likelihood that foreclosures will increase in a community in 2009. Since the program will be implemented on the ground in 2009, it is important to look ahead as well as backward to decide where to target resources. Two different influences on future foreclosures were considered: first, the presence of high-risk mortgage loans in the community, and second, the number of homes at risk of being sold or left vacant as a result of the closing of the Brunswick Naval Air Station next year.

Data has been collected for each of the three factors above for two hundred and forty six communities (or clusters of communities representing a single census tract) in Maine. Each community has been given a score between 1 and 100 for each measure (with 0 indicating the least need, and 100 the greatest). Then the scores for individual measures were added together, and the community received one composite score.

The scores were ranked from highest to lowest. Communities were allocated funds according to their scores, and finally reassembled into logical administrative units.

### **Data sources and scores**

- 1) 2008 Foreclosures by Municipality (50 points). A sample of 1,362 foreclosure listings by municipality occurring in Maine between September 2007 and November 2008<sup>1</sup> was assembled by the Market Street Settlement Group, LLC, and generously shared with Maine by local analyst Catherine Kessler. Using this information, each municipality was assigned a foreclosure score of zero to fifty – fifty points being given to the municipality with the most foreclosures, and every other community receiving a score based on its percentage of the highest score (50 times municipal foreclosures divided by the highest number of foreclosures).
- 2) Geographic density of foreclosures (20 points). Data on square miles per municipality was obtained from the Maine State Planning Office website, and combined with the 2008 foreclosure numbers, to create a measure of the density of foreclosures per 25 square miles. Each community was assigned a density score using the same methodology as the foreclosure score above.

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<sup>1</sup> Foreclosures listings were provided for September 2007, February 2008, April 2008, May 2008, October 2008, and November 2008

3) Risk of future foreclosures (30 points).

- i Number of high-risk loans (15 points). HUD has provided information on the number of “high-cost” loans made by census tract between 2004 and 2006. A high-cost loan is one where the rate spread is 3% above a Treasury security of a comparable maturity. The data is collected and published under the Home Mortgage Disclosure Act (HMDA). As above, each municipality was assigned a high-cost score (0-15) based on their number of high-cost loans relative to that in the municipality with the highest number.
- ii Number of homes likely to be sold upon the closure of Brunswick Naval Air Station (15 points). The closure of Brunswick Naval Air Station will put a glut of housing onto the market in midcoast Maine. This volume of for-sale homes is likely to drive the prices in the area down, increase vacancies, and increase the chances of abandonment and foreclosure. The Base will begin to phase down in 2009. The Maine Housing Authority has identified 859 homeowners (living in 47 municipalities) with jobs related to the Base will or may sell their homes in the near future<sup>2</sup>. As above, each municipality was assigned a BNAS impact score (0-15) based on their number of possible homes for sale relative to that in the municipality with the highest number.

For each municipality, the sum of all four scores was totaled to create a total need and impact score. Total scores ranged from 0 to 80 (with an average of 8).

**Results**

Fifteen municipalities had scores that were more than triple the state average (i.e., 24 or higher). They are shown in Table 1 (below). These 15 communities represent 6% of all communities in Maine, and about 3% of the municipal land area, but about 26% of all foreclosures in the September 2007 to November 2008 sample.

These are the communities in Maine selected as the areas in greatest need of assistance through the Neighborhood Stabilization Program (NSP).

In addition, a second tier of 6 communities (Table 2, below) with high scores was identified. These second tier communities will be allocated NSP funds if Maine is unable to allocate funding to the 15 communities in greatest need in a timely manner.

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<sup>2</sup> Page A-1, “Survey of Brunswick Naval Air Station Civilian and Military Personnel,” *MaineHousing*, June 2008.

Municipality	Foreclosures		Density		Risk of Future Foreclosures				Total
	# Foreclosures in Sample, Sept 2007 - Nov 2008 <sup>1</sup>	Foreclosure Score (0-50)	Density <sup>2</sup>	Density Score (0-20)	2004 to 2006 High-Cost HMDA Loans <sup>3</sup>	High-Cost Loan Score (0-15)	BNAS Impact <sup>4</sup>	BNAS Score (0-15)	Total Score (0-100)
Sanford	65	50	33	17	865	13		0	80
Lewiston	44	34	30	16	789	12	29	2	64
Portland	28	22	37	20	1020	15	12	1	57
Bangor	32	25	23	12	679	10		0	47
Westbrook	18	14	35	18	539	8	2	0	40
Auburn	30	23	12	6	654	10	8	1	40
South Portland	15	12	29	15	517	8	3	0	35
Old Orchard Beach	12	9	38	20	289	4		0	33
Biddeford	22	17	18	9	461	7		0	33
Bath	11	8	28	15	173	3	61	5	30
Brunswick	10	8	5	3	225	3	195	15	29
Lisbon	10	8	10	5	346	5	123	9	28
Saco	19	15	12	6	439	6		0	28
Waterville	14	11	23	12	296	4		0	28
Waterboro	20	15	9	5	425	6		0	27

<sup>1</sup>Source: Market Street Settlement Group, LLC  
<sup>2</sup>Source: Maine State Planning Office  
<sup>3</sup>Source: HUD  
<sup>4</sup>Source: MaineHousing

**Table 2: 2nd Tier Areas**

Municipality	Foreclosures		Density		Risk of Future Foreclosures				Total
	# Foreclosures in Sample, Sept 2007 - Nov 2008 <sup>1</sup>	Foreclosure Score (0-50)	Density <sup>2</sup>	Density Score (0-20)	2004 to 2006 High-Cost HMDA Loans <sup>3</sup>	High-Cost Loan Score (0-15)	BNAS Impact <sup>4</sup>	BNAS Score (0-15)	Total Score (0-100)
<b>Gardiner</b>	11	8	17	9	167	2	32	2	23
<b>Brewer</b>	10	8	17	9	334	5		0	21
<b>Augusta</b>	14	11	6	3	427	6	9	1	21
<b>Gorham</b>	14	11	7	4	369	5		0	20
<b>Standish</b>	12	9	5	3	343	5	38	3	20
<b>Rockland</b>	10	8	19	10	118	2		0	20

<sup>1</sup>Source: Market Street Settlement Group, LLC

<sup>2</sup>Source: Maine State Planning Office

<sup>3</sup>Source: HUD

<sup>4</sup>Source: MaineHousing

**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:

Among those areas identified in greatest need of assistance, resource allocation will be determined proportionally. An area’s share of NSP funds is calculated by its score as a proportion of the total score for the 15 identified areas. Table 3 (below) details the proportions and provides a sample distribution of \$13.85 million in NSP funds.

<b>Table 3: Allocation</b>			
<b>Municipality</b>	<b>Total Score</b>	<b>% of Total Score Sum</b>	<b>\$</b>
<b>Sanford</b>	80	13%	\$ 1,856,085
<b>Lewiston</b>	64	11%	\$ 1,473,103
<b>Portland</b>	57	10%	\$ 1,324,136
<b>Bangor</b>	47	8%	\$ 1,084,873
<b>Westbrook</b>	40	7%	\$ 936,414
<b>Auburn</b>	40	7%	\$ 921,889
<b>South Portland</b>	35	6%	\$ 805,851
<b>Old Orchard Beach</b>	33	6%	\$ 776,266
<b>Biddeford</b>	33	6%	\$ 768,942
<b>Bath</b>	30	5%	\$ 704,017
<b>Brunswick</b>	29	5%	\$ 664,675
<b>Lisbon</b>	28	5%	\$ 639,348
<b>Saco</b>	28	5%	\$ 639,153
<b>Waterville</b>	28	5%	\$ 639,144
<b>Waterboro</b>	27	4%	\$ 616,104
<b>Total</b>	597	100%	\$ 13,850,000

The communities above cluster naturally into 9 geographic regions. Within each of these 9 regions, there are possibilities for administrative efficiencies in service delivery. Table 4 (below) lists the 9 geographic regions through which Maine proposes to deliver its allocation of Neighborhood Stabilization Funds, and reallocates the proposed \$13.85 million allocation to each administrative unit.

<b>Table 4: Regions</b>			
<b>Region</b>	<b>Region Total Score</b>	<b>Region % of Total Score Sum</b>	<b>Region \$</b>
Sanford, Waterboro	107	18%	\$ 2,472,189
Biddeford, Old Orchard Beach, Saco	94	16%	\$ 2,184,360
Bath, Brunswick, Lisbon	87	14%	\$ 2,008,041
South Portland, Westbrook	75	13%	\$ 1,742,265
Lewiston	64	11%	\$ 1,473,103
Portland	57	10%	\$ 1,324,136
Bangor	47	8%	\$ 1,084,873
Auburn	40	7%	\$ 921,889
Waterville	28	5%	\$ 639,144
<b>Total</b>	<b>597</b>	<b>100%</b>	<b>\$ 13,850,000</b>

**C. DEFINITIONS AND DESCRIPTIONS**

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

Response:

Maine law does not define the term “blighted structure” so for purposes of keeping NSP activity definitions consistent with the normal State of Maine CDBG program a “blighted structure” will need to meet the HUD definition which is as follows:

“A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare.”

The State of Maine CDBG program requires a formal written declaration for a “blighted structure” which is supported by photographic documentation and the signature of the municipal code enforcement officer or building inspector.

(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 State of Maine will adopt the HOME definition of affordable rents at 24 CFR 92.252 (a), (c), and (f).

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

Response:

The HOME standard will be the minimum term allowable. Individual projects may either impose a deed restriction to ensure continued affordability or require subsidy recapture and/or mortgage repayment for failure to complete the minimum term of affordability.

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

Response:

All rehabilitation activities assisted under the NSP programs shall address health and safety violations, correct substandard conditions and make essential improvements. Such improvements shall include but are not limited to: performing energy related repairs or improvements including the installation of Energy Star appliances and energy efficient windows, providing for handicapped accessibility under reasonable accommodation and reasonable modification standards, the abatement of lead-based paint hazards and the repair or replacement of major housing systems in danger of failure. All rehabilitation must meet applicable local standards, codes and ordinances. Lead Based Paint standards apply to housing built prior to 1978.

#### ***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: Minimum of \$5,000,000.

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

Response:

To assure compliance with NSP requirements for expending at least 25% of available funding for housing individuals or families whose incomes do not exceed 50% of area median income \$5,000,000 in NSP funding has been set aside for MaineHousing to conduct the following programs in the identified Areas of Greatest Need:

- a) Issue an RFP for the Regional Homeless Council housing development program. This program will provide grant money for the acquisition and rehabilitation of foreclosed upon properties to develop permanent housing for people that are homeless.
- b) Expand its program for supportive housing for people with special needs. This program will provide grant money for the acquisition and rehabilitation of foreclosed upon properties for people that have special needs.

MaineHousing would propose both of the above the program's standard covenants will protect use and affordability for 30 years.

In addition to the \$5,000,000 set aside for the MaineHousing activities above there is a strong possibility that additional housing units purchased and rehabilitated with NSP funds will be occupied by individuals or families whose incomes do not exceed 50% of 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:

At this time it is impossible to accurately determine the number of low- and moderate-income dwelling units to be demolished or converted however the State's NSP program will have a non-displacement objective, and will give priority to non-occupied properties or properties identified for continued rental use. However, in certain circumstances where demolition and relocation are vital to a defined neighborhood stabilization strategy, the State may permit some demolition and relocation.

#### ***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:

To be provided to HUD after public comment period.

## ***G. NSP INFORMATION BY ACTIVITY***

This section contains the State's summary of each activity anticipated for NSP funds. There is a separate page for each activity. The State intends to provide additional details on these activities once local projects are approved.

(1) Activity Name: **Financing Mechanisms**

(2) Activity Type: NSP Activity (A): Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties. CDBG Eligible Activities 24 CFR 570.206 Delivery Costs, 24 CFR 570.2012 (n) Direct homeownership assistance. Also, the eligible activities listed below to the extent financing mechanism are used to carry them out.

(3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq$ 120 percent of area median income).

(4) Projected Start Date: March 1, 2009

(5) Projected End Date: March 1, 2013

(6) Responsible Organization: Maine Department of Economic and Community Development, 59 State House Station, 111 Sewall Street, Augusta, ME 04333-0059. Contact: Michael D. Baran. Phone: 207-624-9816. Fax: 207-287-8070.

(7) Location Description: Areas of greatest need listed in sections A and B above.

(8) Activity Description:

The State anticipates a substantial share of funds to be directed into this activity, specifically for homeownership. The properties financed will be made available to income-eligible buyers. These properties will be made available at a discount that meets or exceeds NSP guidelines.

(1) Activity Name: **Acquisition and Rehabilitation**

(2) Activity Type: NSP Activity (B): CDBG Eligible Activities 24 CFR 570.201 (a.) Acquisition, (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified by the NSP Notice); 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).

(3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq$ 120 percent of area median income).

(4) Projected Start Date: March 1, 2009

(5) Projected End Date: March 1, 2013

(6) Responsible Organization: Maine Department of Economic and Community Development, 59 State House Station, 111 Sewall Street, Augusta, ME 04333-0059. Contact: Michael D. Baran. Phone: 207-624-9816. Fax: 207-287-8070.

(7) Location Description: Areas of greatest need listed in sections A and B above.

(8) Activity Description:

The State anticipates a substantial share of funds to be directed into this activity. The properties acquired will ultimately be made available to income-eligible occupants.

The amount of purchase discount is anticipated to be at 15 percent rate but more exact discount rates will be determined once local applications are approved.

(1) Activity Name: **Land Banks**

(2) Activity Type: NSP Activity (C); CDBG Eligible Activities 24 CFR 570.201 (a.) Acquisition and (b) Disposition.

(3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq 120$  percent of area median income).

(4) Projected Start Date: March 1, 2009

(5) Projected End Date: March 1, 2013

(6) Responsible Organization: Maine Department of Economic and Community Development, 59 State House Station, 111 Sewall Street, Augusta, ME 04333-0059. Contact: Michael D. Baran. Phone: 207-624-9816. Fax: 207-287-8070.

(7) Location Description: Areas of greatest need listed in sections A and B above.

(8) Activity Description:

The State anticipates a very small share of funds to be directed into this activity. The properties acquired will held until local markets and/or projects are ready to make use of these properties. The properties acquired with these funds will be previously foreclosed upon properties.

All housing activities will be subject to the definitions of affordability outlined in this amendment.

The amount of purchase discount is anticipated to be at 15 percent rate by more exact discount rates will be determined once local applications are approved.

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

(2) Activity Type: NSP Activity (D); CDBG Eligible Activities 24 CFR 570.201 (d.) Clearance for blighted structures only.

(3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq 120$  percent of area median income).

(4) Projected Start Date: March 1, 2009

(5) Projected End Date: March 1, 2013

(6) Responsible Organization: Maine Department of Economic and Community Development, 59 State House Station, 111 Sewall Street, Augusta, ME 04333-0059. Contact: Michael D. Baran. Phone: 207-624-9816. Fax: 207-287-8070.

(7) Location Description: Areas of greatest need listed in sections A and B above.

(8) Activity Description:

The State anticipates a very small share of funds to be directed into this activity. The properties demolished with these funds will be blighted structures, some of which will be previously foreclosed upon homes.

(1) Activity Name: **Redevelop Demolished or Vacant Properties**

(2) Activity Type: NSP Activity (D); CDBG Eligible Activities 24 CFR 570.201 (a.) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties, (i) Relocation, and (n) Direct homeownership assistance (as modified below). 204 Community based development organizations.

(3) National Objective: Meets national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice ( $\leq$ 120 percent of area median income).

(4) Projected Start Date: March 1, 2009

(5) Projected End Date: March 1, 2013

(6) Responsible Organization: Maine Department of Economic and Community Development, 59 State House Station, 111 Sewall Street, Augusta, ME 04333-0059. Contact: Michael D. Baran. Phone: 207-624-9816. Fax: 207-287-8070.

(7) Location Description: Areas of greatest need listed in sections A and B above.

(8) Activity Description:

The State anticipates a portion of funds to be directed into this activity, primarily for rental properties. The properties that will be used for new construction activities will be sites on which demolition occurred.

### ***H. TOTAL BUDGET***

Below is an estimated budget for the Maine NSP. The budgeted amounts are subject to change once local contracts are made and properties identified for acquisition, rehabilitation and resale.

<b>Activity</b>	<b>Amount</b>	<b>Percent of Total</b>
Financing Mechanisms	\$1,000,000	5.10%
Acquisition/Rehabilitation	\$11,000,000	56.20%
Land Banks	\$400,000	2.00%
Demolish Blighted Structures	\$1,240,000	6.30%
Redevelop Demolished Property	\$4,000,000	20.40%
Administration	\$1,960,000	10.00%
<b>TOTAL</b>	<b>\$19,600,000</b>	<b>100.00%</b>

### ***H. PERFORMANCE MEASURES***

Below are the estimated performance measures by activity for the NSP funds. These numbers are subject to change once local contracts are made and properties identified for acquisition, rehabilitation and resale. The Maine NSP will provide additional information on meeting these measures as required by the reporting procedures outlined in the HUD Notice.

<b>Activity</b>	<b>Housing Units</b>
Financing Mechanisms	40
Acquisition/Rehabilitation	80
Land Banks	10
Demolish Blighted Structures	10
Redevelop Demolished Property	30
<b>TOTAL</b>	<b>170</b>

# 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