

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).

DRAFT - Nov 12, 2008

NEIGHBORHOOD STABILIZATION PROGRAM SUBSTANTIAL AMENDMENT

Jurisdiction(s): State of Nevada, Housing Division	NSP Contact Person: Dr. Hilary Lopez Chief of Federal Programs
Jurisdiction Web Address: www.nvhousing.state.nv.us	Address: 1535 Old Hot Springs Rd., #50 Carson City, NV 89706 Telephone: 775-687-2040 Fax: 775-687-4040 Email: hlopez@nvhousing.state.nv.us

Title III of the Housing and Economic Recovery Act (HERA) of 2008 provides emergency assistance to the State of Nevada to facilitate the acquisition and redevelopment of foreclosed properties that might otherwise become sources of abandonment and blight within Nevada's communities. This emergency assistance, administered by the US Department of Housing and Urban Development (HUD), is provided under the Neighborhood Stabilization Program (NSP). NSP funds shall be subject to the same rules and regulations as HUD's Community Development Block Grant (CDBG) funds except where specific differences are outlined in HERA.

The State of Nevada was awarded \$24,287,240 in NSP funds for distribution throughout the State. The program will be administered by the Department of Business and Industry's Housing Division (the Division). In order to receive the funds, the Division is required to submit to HUD the enclosed Substantial Amendment to the State of Nevada Annual Action Plan for 2008-2009 previously approved by HUD. The Substantial Amendment is due by December 1, 2008, and outlines the NSP areas of greatest need, the distribution of funds, and the proposed activities to combat the rising number of foreclosed and abandoned properties in Nevada. All of the NSP activities will benefit households with incomes at or below 120 percent of the area median income for the jurisdiction within which the activity is located. Further, by regulation, at least 25 percent of the NSP monies will be allocated to activities that serve households with incomes at or below 50 percent of area median income for the jurisdiction within which the activity is located.

The NSP regulations require the State to give priority emphasis in targeting the funds to those "metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, and other areas with the greatest need, including those a) with the greatest percentage of home foreclosures; b) with the highest percentage of homes financed by a subprime mortgage related loan; and c) identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures."¹

¹ http://www.huduser.org/publications/commdevl/nsp_target.html

In order to maximize the use of NSP funds and ensure that they are targeted to areas of greatest need, the Governor convened a Task Force made-up of representatives from cities and counties, the financial community, private organizations, such as the Nevada Association of Counties and the League of Cities, and state government, to develop a plan for the distribution of the funds, discuss capacity issues, and identify eligible activities for the use of NSP monies. The Task Force met once a week over a five-week period and gained consensus on the allocation of funds and potential activities with the results detailed in this Amendment.

The Division will continue to work with the cities and counties identified within this Amendment to implement the activities outlined and ensure that NSP and CDBG requirements are met. In accordance with NSP regulations, a copy of this Substantial Amendment was posted on November 12, 2008, at www.nvhousing.state.nv.us for a 15-day public comment period. Notice of this posting was published in the *Reno Gazette Journal*, *Las Vegas Review Journal*, *Pahrump Valley Times*, *Lahontan Valley News* and *Record Courier*. A hard copy of the Substantial Amendment was also posted at the Division's Carson City and Las Vegas offices, the State of Nevada Library and Archives, city and county offices, and public libraries.

A. Areas of Greatest Need

The State of Nevada has been significantly impacted by the foreclosure crisis. Headlines detailing the rising tide and devastating personal impacts of foreclosure are in the *Reno Gazette Journal* and *Las Vegas Sun* on almost a daily basis. These articles chronicle the rising number of foreclosures and their impact on neighborhoods, displaced homeowners and renters, and government services.

According to RealtyTrac as of the second quarter of 2008, one in every 43 Nevada households received a foreclosure filing; the highest foreclosure rate among the states and nearly four times the national average.² Foreclosure filings were reported on 24,657 Nevada properties during the quarter, up 26 percent from the previous quarter and up 147 percent from the first quarter of 2007.³ While the media has largely focused on the substantial foreclosure problem in southern Nevada, specifically Clark County, other areas of the State have also been impacted by this crisis.

In Washoe County one in every 151 households received a foreclosure filing while in the rural areas of Lyon and Nye Counties, one in every 248 and 139 households, respectively received a filing as of September 2008.⁴ The national average for the same time period is one in every 171 households. Furthermore, within the rural areas the foreclosures are more confined to a few cities such as Fernley and Dayton in Lyon County or Pahrump in Nye County which are their economic centers.

² www.realtytrac.com

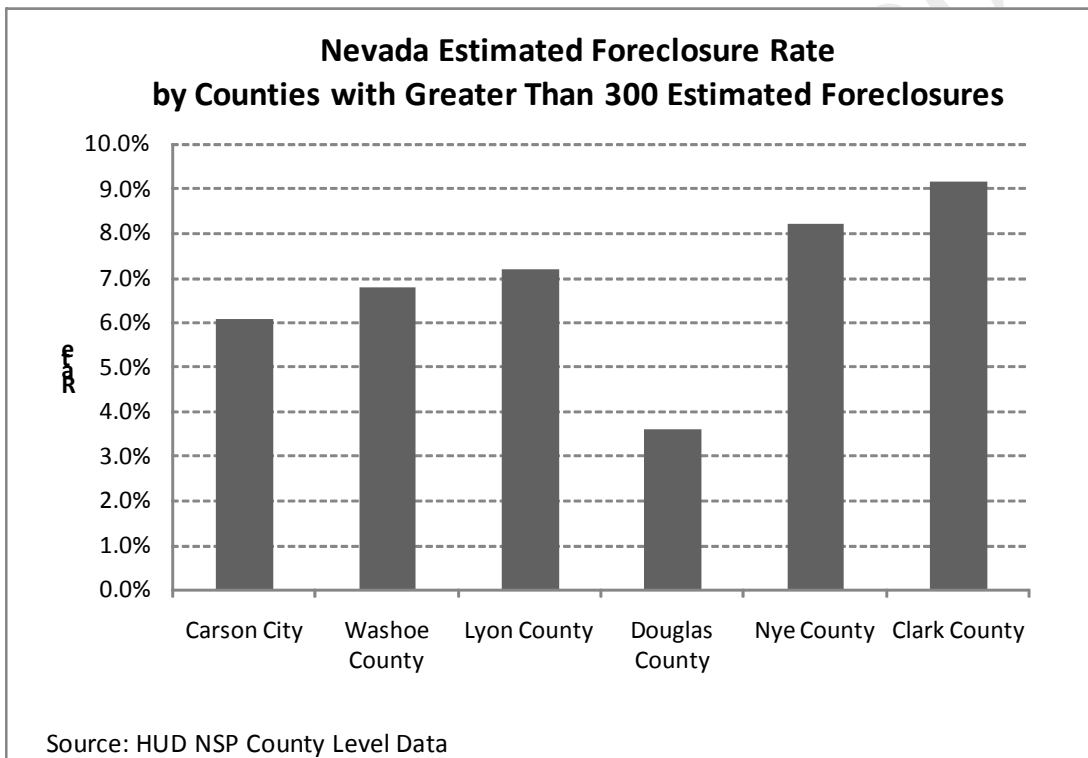
³ Ibid.

⁴ <http://www.realtytrac.com/MapSearch/FreeSearch.aspx?a=b&StateSel=nv&acct=137302>

Data available from HUD identified six counties within Nevada with more than 300 foreclosures. Three hundred foreclosures were selected as a threshold because there appeared to be a clear distinction between counties with less than 300 foreclosures and those areas with greater than 300 foreclosures. Those counties with less than 300 foreclosures tended to have significantly less, ranging from one to less than 200 foreclosures, as well as lower foreclosure rates and less substantial housing price declines.

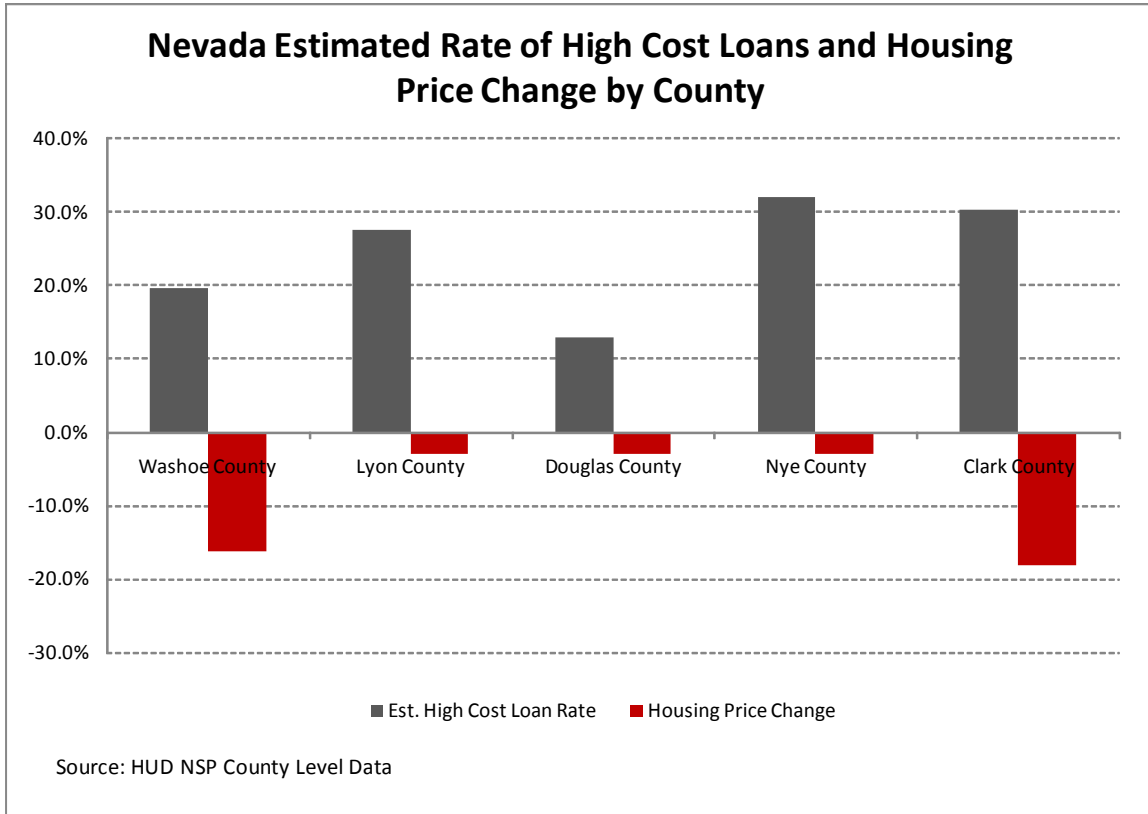
As shown on Chart 1 below, of the six counties with high numbers of foreclosures, five had a correspondingly high estimated foreclosure rate, ranging from 6.1 percent in Carson City to 9.2 percent in Clark County.

Chart 1



Further, Chart 2 shows that five of these areas have a substantial number of high cost loans that were originated which could be a predictor of future foreclosures. Finally, Chart 2 also shows that in Washoe and Clark Counties there has already been a significant drop in housing prices relative to the peak home price value in the second quarter between 2000 and 2008 and the home price value in the second quarter of 2008. While the three rural counties, Lyon, Douglas, and Nye have not experienced as dramatic price declines, they have experienced declines. The price declines in these areas have further exacerbated the foreclosure problem because many homeowners have negative equity in their home and cannot refinance into new, more affordable mortgages.

Chart 2



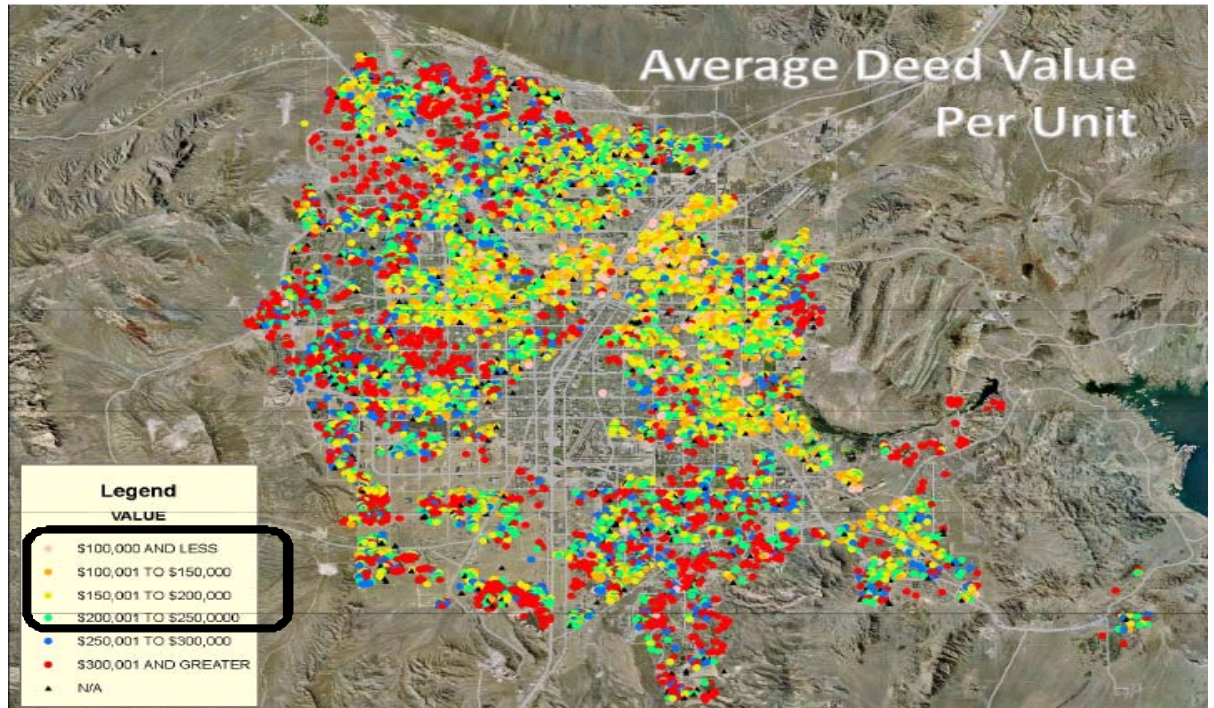
These counties, as further detailed below or in the individual entitlement communities’ Substantial Amendments⁵, have neighborhoods, block groups, or census tracts 1) that have a high risk for foreclosed and abandoned homes based on HUD data and 2) where more than 51 percent of the people in the area had incomes in year 2000 which were less than 120 percent of area median income. Therefore, these neighborhoods, block groups, or census tracts would qualify for funding under the NSP.

The State of Nevada, Housing Division, also commissioned a report detailing the substantial impact of the foreclosure crisis in Clark and Washoe Counties and analyzing data by zip code in each jurisdiction to find concentrations of foreclosure. These areas were selected for study because they encompass the two major urban areas in the state, the City of Las Vegas in Clark County and the City of Reno in Washoe County. The

⁵ Due to the extent of the foreclosure problem in southern Nevada, Clark County as well as the cities of Las Vegas, North Las Vegas, and Henderson received a direct allocation of NSP funds from HUD. However, HERA and the NSP regulations allow for the State to provide a supplemental allocation of NSP funds to these “entitlement communities” to assist them in combating the foreclosure problem and stabilizing neighborhoods. The regulations also allow States to “link” to each entitlement communities’ Substantial Amendment for purposes of identifying areas of greatest need, funding, and NSP activities. The links to the entitlement communities’ Substantial Amendments are provided in the text.

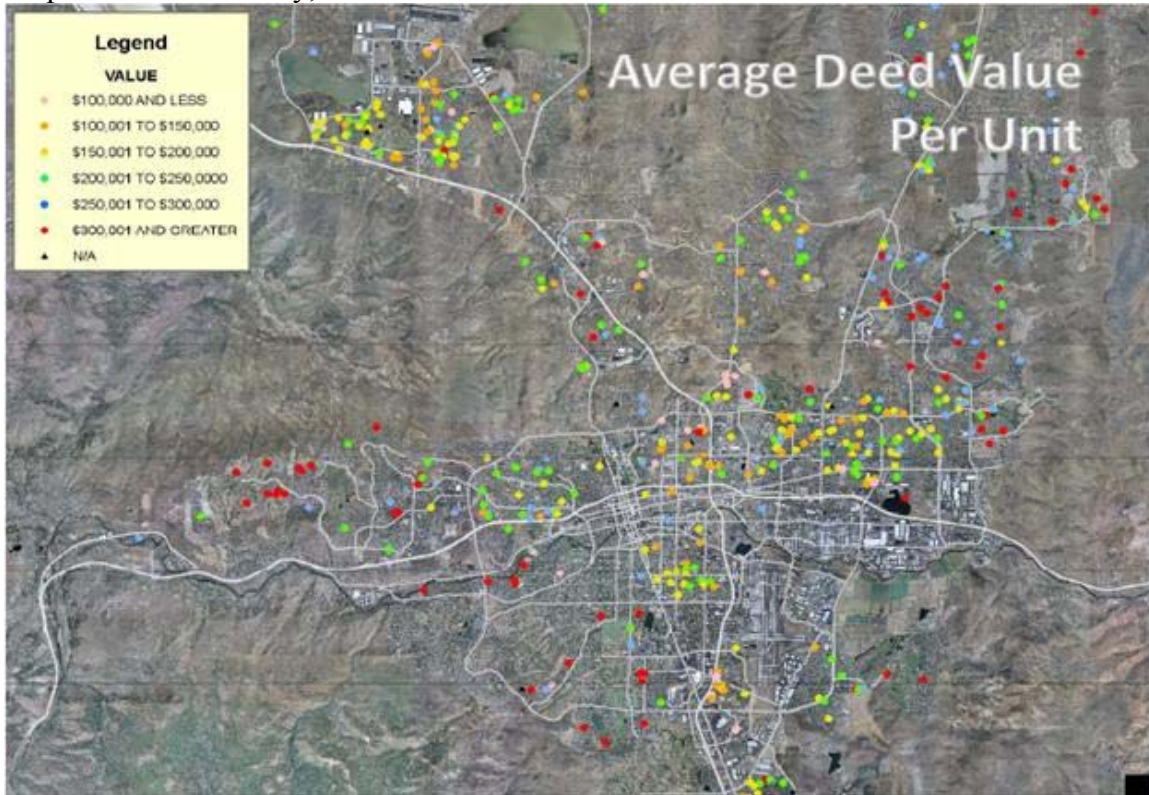
study also identified the top five mortgage owners with a high inventory of foreclosed homes within each area. These data were also made available to local jurisdictions to assist them in targeting their NSP effort. Maps 1 and 2 included below identify the local areas with high rates of foreclosure by the average deed value at time of purchase.

Map 1: Clark County, Nevada



Source: Applied Analysis, Inc.

Map 2: Washoe County, Nevada



Source: Applied Analysis, Inc.

Using all of the data described above, along with qualitative and anecdotal stories regarding the impact of foreclosure on local communities from local government staff and community members and the capacity of local governments or not-for-profit entities to administer an NSP eligible activity, the State of Nevada designated its initial areas of greatest need for NSP funding as Clark, Washoe, Lyon, Nye, and Douglas Counties. As the program progresses and/or program income becomes available and/or a rising number of foreclosures materialize in another area of the State, the Housing Division as administrator of the NSP will consider an allocation of NSP funds to that area.

Further Local Detail on Areas of Greatest Need

Non-Entitlement Communities

Washoe County HOME Consortium

The Washoe County HOME Consortium will target its allocation of NSP funds into three primary areas. The neighborhoods identified are areas significantly impacted by the incidence of foreclosures, estimated at 15 to 40 percent of homes in these areas currently owned by the bank. In addition, the continued foreclosure risk of these areas is rated high by HUD (7-9). The Washoe County HOME Consortium will implement three NSP eligible activities in these areas to address the requirements of Section 2301(c)(2) of

HERA. The three primary areas encompass neighborhoods within the Cities of Reno and Sparks or more specifically:

Stead, specifically between Interstate 395 and Lear Boulevard extending from Stead Boulevard east for 5,000 feet (see attached Map 1)

Sun Valley in unincorporated Washoe County

An area bounded by Sparks Boulevard to the East, Queens Way to the North, and the City of Sparks boundaries on the west and south.

Rural Counties

The Nevada Housing Division examined foreclosure rates in the rural communities. Three counties, Lyon, Douglas, and Nye, had substantially higher foreclosures rates as compared to the other 13 counties in the rural area. The numbers of homes in foreclosure, number of subprime loans, and HUD risk scores for future foreclosure or abandonment of residential property for these three counties are as follows:

Area	# Foreclosures	High Cost Loans	HUD Risk Scores	Pre-foreclosure
Lyon Co.	769	2,420	6, 7-8	396
Nye Co.	393	1,261	7	148
Douglas Co.	351	1,036	5	154

Source: HUD NSP Data, Realtytrac pre-foreclosures. HUD Risk scores for areas within individual counties with high concentrations of foreclosures. A score closer to 10 indicates a higher likelihood of future foreclosure and/or abandonment of property.

More specifically, the foreclosures were highest in the City of Fernley and Dayton Valley in Lyon County, the Town of Pahrump in Nye County, and The Minden/Gardnerville area of Douglas County. In the City of Fernley foreclosures are primarily concentrated in areas east of U.S. 95 and south of Interstate 80. In Dayton Valley the foreclosures are concentrated in four primary areas: (1) Santa Maria Estates, (2) Town of Dayton and Dayton Valley Estates, Six Mile Canyon Road, and (4) Sutro area.

The greatest level of foreclosures in Nye County is found in the Town of Pahrump, more specifically areas west of Highway 160 centered north and south of Highway 372. In Douglas County, a high concentration of foreclosures can be found in the Gardnerville Ranchos area.

Entitlement Communities

Included below is summary needs data identifying the geographic area of greatest need throughout Clark County and the southern Nevada NSP entitlement communities. Readers are referenced to the below specified links for direct access to each jurisdiction’s Substantial Amendment for further detail.

Clark County/North Las Vegas –
<http://www.accessclarkcounty.com/depts/Finance/crm/Pages/CommunityResourcesManagementDivision.aspx>

City of Las Vegas –
www.lasvegasnevada.gov/stabilizationplan

City of Henderson -
http://www.ci.henderson.nv.us/neighborhood_services/docs/NSP_Public%20Review%20&%20Comment.pdf

Unincorporated Clark County

AREAS OF GREATEST NEED

Clark County is suffering from a significant number of foreclosures, short sales and pre-foreclosures, particularly in the Las Vegas Valley. In all, over 12,000 foreclosures have been identified in Clark County, including all of its incorporated and unincorporated areas (Map 1-Clark County NSP Plan) using data from Applied Analysis, Inc.

According to the Foreclosure Response Project and analysis by the Local Initiative Support Corporation (LISC), unincorporated Clark County has an estimated 31,666 subprime loans, which is almost 19% of all loans. Over 90% of these loans were made in CDBG eligible areas. Another estimated 16,286 loans are 30 or more days delinquent (9.7% of all loans).

Areas With Greatest Percentage of Home Foreclosures

The table below indicates the top 20 census tracts with the highest foreclosure rates in Clark County. It shows the alarming number of foreclosures, particularly in the more mature areas of the valley.

TOP 20 FORECLOSURE RATES BY CENSUS TRACT

Rank Census Tract Foreclosure Rate Rank Census Tract Foreclosure Rate
 Unincorporated Clark County

Rank	Census Tract	Foreclosure Rate	Rank	Census Tract	Foreclosure Rate
1	24.05	15.4	11	49.21	13.2
2	47.03	14.7	12	62.01	13.0
3	15.00	14.3	13	47.11	13.0
4	47.16	14.2	14	16.09	12.9
5	47.13	14.2	15	28.22	12.8
6	47.08	13.9	16	49.12	12.7
7	47.09	13.6	17	61.02	12.7
8	47.14	13.3	18	16.08	12.6
9	16.13	13.2	19	17.15	12.6
10	47.17	13.2	20	18.04	12.6

Areas with Highest Percentage of Homes Financed by a Subprime Mortgage

Current and accurate subprime lending data is not available. The data provided by HUD for the NSP application, identifying the foreclosure and abandonment risk scores, is the best available. To determine the census tracts with the highest percentage of homes financed by a subprime mortgage the “percentage of high cost loans” data was used. Map 3 in the Clark County NSP Plan identifies, by census tract, the most predominant neighborhoods where homes were financed by a subprime/high cost loan.

Areas Likely to Face a Significant Rise in Rate of Home Foreclosure

Again, current and accurate data showing areas most likely to face a significant rise in foreclosure is not available; therefore the “Estimated foreclosure abandonment risk score” provided by HUD was used to identify areas that are at high risk for future foreclosures and abandonment. Map 4 in the Clark County NSP Plan, where 0 indicates a very low risk and 10 suggest a very high risk for future foreclosures and abandoned properties, highlights the valley-wide nature of the crisis.

OTHER FACTORS CONSIDERED TO DETERMINE AREAS OF GREATEST NEED

Low/Moderate/Middle Income (LMMI) Areas

Using the HUD data, Map 5 in the Clark County NSP Plan identifies the census tracts/block groups that qualify as LMMI eligible areas. However, the data used to identify LMMI areas is from the 2000 Census and is somewhat out of date due to the high growth that has occurred in Clark County since 2000. For example, the major part of census tract 58.16 in the Enterprise Township area is identified as eligible; however this has been a high growth area in the Unincorporated County with higher cost housing built there since 2000. Therefore, it is unlikely that census tract 58.16 is, in fact, LMMI eligible. It is also important to note that several of the areas that are LMMI eligible are county islands located within the City of Las Vegas.

City of North Las Vegas

Areas of Greatest Need

North Las Vegas is seriously impacted by the foreclosure crisis; 1,514 single-family homes were foreclosed in 2007 and in just the first six months of 2008, 2,619 single-family homes were forced into foreclosure. Virtually all of the City’s neighborhoods are affected by this crisis (See Map A-1 City of North Las Vegas NSP Plan).

Using Clark County Recorder data on foreclosures for the period January 1, 2008 through July 31, 2008, foreclosures were identified by zip code. Three zip codes, 89031, 89032, and 89081, had the largest number of foreclosures during that interval (City of North Las Vegas NSP Plan, Map A-2).

Areas With Greatest Percentage of Home Foreclosures

Using the Clark County Reorder data, the census tract/block group foreclosure density, breaks down as shown in Table 1 City of North Las Vegas NSP Plan, “Foreclosure Density Levels.” Map A-3 depicts the foreclosure density by census tract/block group.

Areas with Highest Percentage of Homes Financed by a Subprime Mortgage

Current and accurate subprime lending data is not available locally. The data provided by HUD for the NSP application, identifying the foreclosure and abandonment risk scores, is the best available. To determine the census tracts with the highest percentage of homes financed by a subprime mortgage the “percentage of high cost loans” data was used. Table 2 in the City of North Las Vegas NSP Plan, “Percentage Mortgages Financed by Subprime Loan,” shows the subprime loan data by census tract; Map A-4 in the City of North Las Vegas NSP Plan illustrates the most predominant neighborhoods where homes were financed by a subprime loan.

Areas Likely to Face a Significant Rise in Rate of Home Foreclosure

Again, current and accurate data showing areas most likely to face a significant rise in foreclosure is not available; therefore the “abandonment and foreclosure risk score” data provided by HUD was used. Utilizing the “risk score,” the census tracts/block groups most likely to face a significant rise in rate of home foreclosure are identified in the City of North Las Vegas’s NSP Plan Table 3, “Risk Score by Census Tract/Block Group,” are shown in Map A-5 City of North Las Vegas NSP Plan.

OTHER FACTORS CONSIDERED TO DETERMINE AREAS OF GREATEST NEED

Low/Moderate/Middle Income (LMMI) Areas

Using the HUD data, Map A-6 in the City of North Las Vegas NSP Plan identifies the census tracts/block groups that qualify as LMMI eligible areas. It is important to note that census tract 3603 is identified as eligible; however it is based on outdated 2000 census data. This has been a high growth area in North Las Vegas since 2000 and the current population is estimated at 3,722 while the census data has only 68 persons living in that census tract. Therefore, it is difficult to determine if census tract 3603 is, in fact, LMMI eligible without having more current data. Table 4 in the City of North Las Vegas’s NSP Plan lists the percentage of households at 120% AMI at the census tract/block group level.

AREAS OF GREATEST NEED

Using all of the data presented thus far, the City of North Las Vegas has determined that zip codes 89031, 89032, and 89081 have the greatest areas of need for the Neighborhood Stabilization Program. Within those zip codes, certain census tracts/block groups have

been impacted more significantly; therefore the City will attempt to focus its efforts in those areas if possible.

To determine the most substantially affected census tracts/block groups, the four factors discussed above were considered: percentage of foreclosures, percentage of subprime loans, foreclosure risk scores, and LMMI eligibility percentage. Table 5 (City of North Las Vegas NSP Plan) , “Four Greatest Need Factors by Census Tracts/Block Groups,” lists all census tracts/block groups that meet at least three of the following criteria:

- Percentage of foreclosures above 3.99%
- Foreclosure risk score at 9 or 10
- 50 % or more subprime loans, and
- 50% or more persons at 120% AMI or lower.

Map A-7 shows all census tracts/block groups with the greatest need that are found in Table 5.

The City is concerned that the NSP 15% discount requirement will have a negative impact on neighborhoods by driving down property values if too many foreclosed properties in one specific neighborhood are targeted; therefore assistance will be more widely dispersed within the identified areas of greatest need.

City of Las Vegas

The greatest number and percentage of foreclosed upon homes within the City of Las Vegas occurs in the following Zip Codes:

Zip Code	Foreclosed	Percent foreclosed Homes
89108	1,743	11%
89128	1,093	11%
89131	1,515	11%
89110	1,580	10%
89117	1,035	8%
89129	1,154	7%
October 20, 2008 Realtytrac.com		

The highest number and percentage of homes in pre-foreclosure are located in the following Zip Codes:

Zip Code	Pre-Foreclosures	Percent
89101	404	10%
89104	519	7%
89107	515	5%
HUD HMDA High Cost Loan Data		

The highest number and percentage of homes financed by high cost subprime mortgages within the City of Las Vegas occurs in the following Zip Codes:

Zip Code	Number	Percent High Cost Loans
89101	1,000 +	Exceed 40%
89107	1,000 +	Exceed 40%
HUD HMDA High Cost Loan Data		

In addition to the Zip Codes already impacted by a high number and percentage of foreclosed homes; it is anticipated that neighborhoods located within the 89101, 89104, and 89107 Zip Codes are also likely to face a significant rise in the rate of home foreclosures

City of Henderson

The City of Henderson has been one of the fastest growing Cities in the nation over the past decade. The City experienced rapid land and housing price appreciation associated with this rapid growth. Within the past two years the so-called “housing bubble” has burst and statistics indicate Southern Nevada as a whole has been one of the most negatively impacted areas in the country. To some extent the City has experienced the same toxic combination of predatory and subprime lending practices coupled with low teaser rates on Adjustable Rate Mortgages (ARM) which have received recent national attention. These problems were magnified in Southern Nevada due to extreme real estate investor speculation associated with the areas’ rapid growth. The resulting loss of owner equity has resulted in several neighborhoods within the City at risk of deterioration.

The City of Henderson has assembled data mapping high-cost mortgage loans (subprime) according to local census tract boundaries. This data has been compared to the U.S. Department of Housing & Urban Development (HUD) rankings of “high-risk” census tracts. It is difficult to predict the areas within the City most likely to face a significant rise in foreclosure; therefore the City is utilizing HUD’s “Estimated foreclosure abandonment risk score” to identify areas that are at high risk for future foreclosures and abandonment, with a score of 10 representing a very high risk.

Utilizing the number of existing foreclosed homes, the number of high-cost loans, and the HUD risk score, the City of Henderson has identified the following census tracts as the geographic areas of greatest need in our jurisdiction:

Tract	#Foreclosed	#high-cost loans	HUD risk score
52.00	79	245	10
53.36	95	273	9
54.12	168	548	9
54.22	172	522	9
54.23	93	273	9
51.03	60	160	9

51.04	93	272	9
51.06	48	132	9
51.07	108	299	8

All NSP funding utilized by the City of Henderson will be used in these identified geographic areas of greatest need.

B. Distribution and Uses of Funds

As detailed above, the State of Nevada has identified five counties as areas of greatest need based upon the greatest percentage of home foreclosures, the highest percentage of homes financed by a subprime mortgage related loan, and the likelihood of facing a significant rise in the rate of home foreclosures. As also identified above, within these major geographic areas, more specific targeted neighborhoods, zip codes, census tracts or block groups have been identified by the State and local governments for NSP funding. To support the development and implementation of eligible NSP activities in these targeted areas, the State will distribute its NSP funds as follows:

The State of Nevada will receive \$24,287,240 in NSP grant award.

NSP Administration at 3% (through June 30, 2013)

Nevada Housing Division	\$ 728,617
-------------------------	------------

Non-entitled Communities:

Washoe County HOME Consortium	\$4,697,642
Rural Counties (Lyon, Douglas, and Nye Counties)	\$2,218,774

Entitlement Communities:

Clark County	\$16,642,207
Sub-allocations	
Clark County/North Las Vegas	\$ 9,871,039
City of Las Vegas	\$ 5,920,349
City of Henderson	\$ 850,819

The above distribution of funds was determined using a multi-faceted approach. First, the Housing Division has been tasked with administering the State’s NSP and ensuring compliance with HERA and HUD regulations. To facilitate these tasks, the State has allocated three percent (3%) or \$728,617.00 of the grant funds for grant administration. Grant administration funds will be retained at the State level and used over a four-year period. NSP funds must be committed within 18 months and may be used through June 30, 2013 to support NSP eligible activities. Over this time period, State staff will monitor all sub-grantees and direct sub-recipients on a regular basis to ensure program requirements are met, file required NSP progress and annual reports with HUD, and

contract with financial experts, housing counselors, and others to enable a successful program.

Second, prior to the receipt of NSP funds, the State was working with local jurisdictional staff to identify three neighborhoods of greatest need, based on foreclosure data, in the City of Reno (Washoe County), the City of Las Vegas (Clark County), and the balance of Clark County for a demonstration project that would target human and capital resources into these neighborhoods. To build upon this effort and leverage the private activity bond funding available for the purchase of foreclosed homes in these target communities, NSP funds were made available to these three jurisdictions to expand the program to allow for a broader scope of services such as the acquisition of foreclosed homes for rental housing for households with incomes at or below 50 percent of the area median income (AMI), rehabilitation of foreclosed homes, or related neighborhood stabilization activities. Six million dollars (\$6,000,000.00) in NSP funds, \$2 million per area, were allocated to support this activity.⁶

The remainder of funds was allocated between entitlement communities and non-entitlement communities on the basis of their share of population. A population pro-rata approach was utilized because, as identified in the previous section, counties within all areas of the State (i.e. northern, southern, and rural Nevada) qualified as areas of greatest need. Additionally, the NSP regulations require that States use NSP funds to meet the needs of entitlement and non-entitlement communities. The population pro-rata method has been utilized within the State since 1986 to provide a “fair share” of federal housing funding to all taxpayers and address housing needs throughout the State. Finally, the pro-rata allocation enabled the State to provide the bulk of funds to Clark County, 72% of the funds based on current population figures, since it has the most substantial problem based on data while still allowing the State to target a reasonable amount of funds to other areas so that meaningful NSP programs could be developed in these communities. Like HUD, the State used a \$2 million threshold as its definition of reasonable amount of funds.

The population pro-rata method also closely approximated the relative measure of need between the two largest metropolitan counties - Washoe and Clark Counties. Data developed in a study commissioned by the Housing Division indicated that while Clark County’s population was 4.6 times greater than Washoe County’s population, the number of home foreclosures was 14.6 times greater. Between the amount of State funding allocated to Clark County and the amount of direct funding funneled into Clark County through direct allocations of NSP funds from HUD, the overall amount of NSP funds directed into Clark County is roughly 14.6 times greater than the amount of NSP funds targeted into Washoe County.

Within each of the geographic areas identified for an allocation of NSP funds, the funds were further sub-allocated to targeted areas of greatest need within local jurisdictions. Where appropriate, these sub-allocations are also identified above.

⁶ The \$2 million per area are included in the total amounts allocated to each area shown in the beginning of this section.

Local Distribution of need, allocation of NSP funds, and use of funds

The State's NSP funds will be distributed to local entities as identified above and targeted strategically into areas of greatest need for the following menu of activities as allowed by HERA and NSP regulations:

- a. Establish financing mechanisms for purchase and redevelopment of foreclosed upon residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;
- b. Purchase and rehabilitate residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties;
- c. Establish land banks for properties that have been foreclosed upon;
- d. Demolish blighted structures; and
- e. Redevelop demolished or vacant properties.

The State will provide local jurisdictions maximum flexibility in selecting and implementing NSP activities while adhering to all NSP and CDBG requirements. This will enable local jurisdictions to select activities that address the root causes of foreclosure within their communities since the underlying causes of the high rates of foreclosure may vary from neighborhood to neighborhood.

Each entity has identified one or more NSP activities that will be implemented in their specified areas of greatest need. (See attached activity sheets or referenced Substantial Amendments.) In total, Nevada's NSP funds will assist in acquiring ___ homes for resale, lease to own, or rental opportunities for low, moderate, and middle income households with incomes up to 120% of their jurisdiction's area median income. It will also allow for direct financing assistance to ___ households for the purchase and/or rehabilitation of foreclosed or abandoned homes. The monies will also provide government agencies or their sponsors with funds to acquire vacant properties for land banking and redevelopment at a future date to further neighborhood stabilization efforts.

C. Definitions and Descriptions

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

The definition of "blighted structure" varies throughout the State. Therefore, the definition that has been adopted through local zoning or redevelopment codes or by reference to State statute by each jurisdiction identified in this Amendment will be used. When a local definition of "blighted structure" has been formally adopted by a municipality, the State will defer to that definition.

The local definitions for non-entitlement communities are included below. Definitions of "blighted structure" for entitlement communities are included in their Substantial Amendments.

Washoe County (NSP program locally operated through the Washoe County HOME Consortium)

“Blighted Structure” per the municipal code: (a) Negative factors have been found in recent surveys and other information regarding the downtown project area which include but are not limited to decaying, dilapidated facades; confusing signage; peeling paint on signs and buildings; deteriorating streets, curbs, gutters and sidewalks; unsightly overhead wires; unattractive pipes and wires on sides of buildings; vacant buildings; poor drainage; pedestrian/vehicular conflicts; and an unappealing collection of street furniture, vending machines, newspaper stands and other street equipment. These negative factors pose a substantial risk to the health, safety, and general welfare of the citizens of Reno. These negative factors create blight, which has an injurious and detrimental effect upon the public health, safety and general welfare.

Rural Communities

“Blighted Structure” is defined based on Title 18, Chapter 231, in Nevada Revised Statutes that defines a blighted urban area. Combining this definition with the definition of “structure” provides the definition of blighted structure.

A blighted structure is a structure that is used or intended to be used for residential, commercial, industrial or other purposes, or any combination thereof, which is unfit or unsafe for those purposes and is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency or crime because of one or more of the following factors:

- Defective design and character of physical construction.
- Faulty arrangement of the interior and spacing of buildings.
- Overcrowding.
- Inadequate provision for ventilation, light, sanitation, open spaces and recreational facilities.
- Age, obsolescence, deterioration, dilapidation, mixed character or shifting of uses.

(2) Definition of “affordable rents.”

The local definitions for non-entitlement communities are included below. Definitions of “affordable rents” for entitlement communities are included in their Substantial Amendments.

Gross rental rates for affordable rental housing shall not exceed 30% of the adjusted household income for households earning up to 120% of the area median income within which the housing is located as adjusted for family size. At this time, the HOME program rents as published by HUD and adjusted from time to time will be used. More restrictive local definitions of “affordable rents” may be used with State approval.

Gross rents shall include contract rent and utilities. If the tenant pays utilities, a utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent.

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

“Continued affordability” shall be in accordance with the HOME program standards at 24 CFR 92.252 (a), (c), (e), and (f) for rental properties and 24 CFR 92.254 for homeownership housing.

In addition, to secure these periods of continued affordability the State will require each sub-grantee, direct sub-recipient, and homebuyer to execute a contract that identifies the period of continued affordability for the specific project and incorporates resale or recapture provisions should the government entity, organization, or individual transfer title of the property before the expiration of the continued affordability period.

For all properties acquired with NSP funds, the State will require the recordation of a Deed of Trust that outlines the above terms.

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

Housing acquired and rehabilitated with NSP funds will be required to meet local building code standards for the jurisdiction within which it is located. In addition, each home will be evaluated for opportunities to improve the energy efficiency of the unit balancing costs of such activities with the benefit to the homeowner.

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: \$6,480,000.00

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.

A minimum of \$6,480,000 in NSP monies will directed to eligible activities benefiting households with income at or below 50% of the area median income for the jurisdiction within which the activity is located. Anticipated amounts by community are as follows:

Clark County/North Las Vegas	\$3,000,000
City of Las Vegas	\$1,500,000
City of Henderson	\$ 310,000
Washoe County	\$ 920,000
Rural Counties	\$ 750,000

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).

Washoe, Lyon, Nye, and Douglas Counties do not intend to demolish or convert and low- and moderate-income dwelling units under the NSP program. More specific information regarding planned demolition or conversion of low- and moderate-income dwelling units within the entitlement communities of Clark County and the Cities of North Las Vegas, Las Vegas, and Henderson can be found in their specific Substantial Amendments.

The City of North Las Vegas (included in the Substantial Amendment for Clark County) has proposed to demolish 252 low-income blighted dwelling units as part of the redevelopment undertaken with NSP monies. A portion of these units will be replaced through the creation of affordable senior housing at the site. Clark County has also identified the possible demolition or conversion of low- and moderate-income dwelling units in their Substantial Amendment.

F. Public Comment

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

In accordance with NSP regulations, a copy of this Substantial Amendment was posted on November 12, 2008, at www.nvhousing.state.nv.us for a 15-day public comment period ending at noon on November 26, 2008. Notice of this posting was published in the *Reno Gazette Journal*, *Las Vegas Review Journal*, *Pahrump Valley Times*, *Lahontan Valley News* and *Record Courier*. A hard copy of the Substantial Amendment was also posted at the Division's Carson City and Las Vegas offices, the State of Nevada Library and Archives, city and county offices, and public libraries.

To date, no written public comment was received on this Substantial Amendment.

G. NSP Information by Activity (Complete for each activity)

Individual NSP information by activity for the entitlement communities of Clark County and the Cities of North Las Vegas, Las Vegas, and Henderson are including in their specific Substantial Amendments referenced in Section A of this Amendment. State funds and the resulting outcomes from use of these funds are also identified in their respective documents.

State of Nevada

(1) Activity Name: Administration

(2) Activity Type:

This activity will allow the State of Nevada Housing Division to provide planning, legal and general administration support for the NSP Program. This is an eligible activity under 24 CFR 570.205 and 206 and HERA 2301(c)(3) which permits allocations for general administration and planning activities. The State may also incur pre-award costs necessary to develop the application and undertake other actions necessary to receive the NSP funds, in compliance with 24 CFR 570.200(h).

(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).

This activity complies with the national objective requirements benefiting low, moderate and middle-income persons as defined in 24 CFR 570.208(a)(2).

(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.

This activity will allow the State of Nevada Housing Division to provide planning, legal and general administration support for the NSP Program.

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

1535 Old Hot Springs Road, Suite 50, Carson City NV 89706

(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):

N/A

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

\$728,617 of the NSP funding (3% of the total award of \$24,287,240.00) will be retained by the State of Nevada Housing Division for administration support costs. The remaining 7% of the allowable administration costs (up to \$1,457,234.00) will be distributed to local jurisdictions and non-profits to support local administration costs for State NSP funds received. These funds are included in the allocation amounts reported in the State of Nevada's Substantial Amendment and will be used as identified in separate activity sheets included in this Amendment or in the entitlement communities' Substantial Amendments.

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

State of Nevada Housing Division
1535 Old Hot Springs Road, Suite 50
Carson City NV 89706
Hilary Lopez, Chief of Federal Programs 775-687-2033 or hlopez@nvhousing.state.nv.us

(9) Projected Start Date: October 2008 (includes pre-award costs)

(10) Projected End Date: July 30, 2013-monitoring and receipt of program income may continue indefinitely.

(11) Specific Activity Requirements

The State of Nevada Housing Division will retained 3% of the allowable administration costs to support state-level administration activities. This will include pre-award costs, planning activities, legal fees and salary costs for Housing Division staff. The remaining 7% will distributed to local jurisdictions and area non-profits to support costs of running the NSP Program at the local level.

NSP INFORMATION BY ACTIVITY

Washoe County HOME Consortium

(1) Activity Name:

Grant Administration

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

NSP eligible use	Administration & Planning (HERA 2301(c)(3))
CDBG Eligible Activity	Administration & Planning (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., $\leq 120\%$ of area median income).

Grant Administration and Planning

(4) Projected Start Date:

February 1, 2009

(5) Projected End Date:

June 30, 2013 –administration of the grant funded activities

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

Washoe County HOME Consortium – The Consortium will be the state subrecipient responsible for funds administration and contracting for program implementation.

The City of Reno, as lead entity, is located at 1 East 1st Street, PO Box 1900, Reno, NV 89505. Jodi Royal-Goodwin will be the point of contact for fund and program administration.

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

N/A

(8) Activity Description:

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

Planning, administration and on-going oversight of program activities.

For housing related activities, include:

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

For financing activities, include:

- range of interest rates

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

\$81,000 less than 3% of the anticipated grant to the WCHC

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

N/A

NSP INFORMATION BY ACTIVITY

(1) Activity Name:

Washoe County Consortium Acquisition, Rehabilitation & Resale

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

NSP eligible use	Purchase and Rehabilitation of foreclosed property for Resale (HERA 2301(c)(3)(B))
CDBG Eligible Activity	Acquisition and Rehabilitation of housing affordable for households at or below 120% of AMI (24 CFR 570.201(a) and .202)

(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).

National Objective	Benefiting LMMI persons at 60-120% of AMI Creating a Suitable Living Environment through the provision of Decent Housing
--------------------	---

(4) Projected Start Date:

February 1, 2009

(5) Projected End Date:

June 30, 2010 – funds equal to those allocated to this program will be committed by this date but revenue/program income received may be used for any approved activities as determined appropriate at the time of receipt and through June 30, 2013.

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

Washoe County HOME Consortium – The Consortium will be the state subrecipient responsible for funds administration and contracting for program implementation. It is anticipated the Consortium will contract with another entity for program implementation.

The City of Reno, as lead entity, is located at 1 East 1st Street, PO Box 1900, Reno, NV 89505. Jodi Royal-Goodwin will be the point of contact for fund and program administration.

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

This program will target three neighborhoods within the Reno MSA. These areas are:

- i) Stead, between Interstate 395 and Lear Boulevard extending from Stead Boulevard east for 5,000 feet
- ii) Sun Valley in unincorporated Washoe County
- iii) Sparks' urban core bounded by Sparks Boulevard to the East, Queens Way to the North, and the City of Sparks boundaries on the West and South

(8) Activity Description:

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

Through this program the Consortium will acquire and rehabilitate abandoned or foreclosed homes for resale to qualified households. The neighborhoods identified above are areas significantly impacted by the incidence of foreclosure at 15 to 40 percent of the homes in these areas currently owned by banks. In addition, the continued foreclosure risk of these areas is rated high by HUD (7-9).

Properties to be acquired will be those already identified by jurisdiction staff as foreclosed and vacant within the determined area of need. Home values in these neighborhoods typically range from \$110,000 to \$215,000. It is anticipated that rehabilitation required in these homes will range from nothing to \$75,000 to be in compliance with local building codes.

This program is not intended to assist households at or below 50 percent of AMI as sustainable homeownership is difficult to achieve due to limited income available for housing costs and typical housing prices.

For housing related activities, include:

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

Households assisted under this activity will become homeowners. Housing will be resold under this program will reflect current home values to households securing standard mortgages. Homebuyers may also access down payment assistance funds if necessary. Continued affordability will be secured for not less than 15 years through repayment and equity sharing clauses in the sales contract.

For acquisition activities, include:

- discount rate

Housing units will be acquired at a discounted price that considers carrying costs that would be incurred by the seller over the estimated length of time on the market if the property were not purchased under this activity,

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

\$1,216,642 in NSP funds granted to the WCHC are allocated to this activity. An additional \$2 million in NSP funds available to the state will be used to support this activity through the Reno Pilot Program. Locally operated homebuyer programs including down payment assistance and mortgage programs financed through tax-exempt bonds will also be used to support the resale of properties.

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

60-80% AMI	3 Households
<u>81-120% AMI</u>	<u>3 Households</u>
Total Assisted	6 Households

NSP INFORMATION BY ACTIVITY

(1) Activity Name:

Washoe County Consortium Acquisition, Rehabilitation & Rental for Extremely Low-Income Households

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

NSP eligible use	Purchase and Rehabilitation of foreclosed property for Rent (HERA 2301(c)(3)(B))
CDBG Eligible Activity	Acquisition and Rehabilitation of housing affordable for households at or below 50% of AMI (24 CFR 570.201(a) and .202)

(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).

National Objective	Benefiting LMI persons at or below 50% of AMI Creating a Suitable Living Environment through the provision of Decent Housing
--------------------	---

(4) Projected Start Date:

February 1, 2009

(5) Projected End Date:

June 30, 2010 – funds equal to those allocated to this program will be committed by this date but revenue/program income received may be used for any approved activities as determined appropriate at that time of receipt and through June 30, 2013.

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

Washoe County HOME Consortium – The Consortium will be the state subrecipient responsible for funds administration and contracting for program implementation as well as long-term compliance of rental properties. It is anticipated the Consortium will contract with another entity for program implementation.

The City of Reno, as lead entity, is located at 1 East 1st Street, PO Box 1900, Reno, NV 89505. Jodi Royal-Goodwin will be the point of contact for fund and program administration.

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

This program will target three neighborhoods within the Reno MSA. These areas are:

- iv) Stead, between Interstate 395 and Lear Boulevard extending from Stead Boulevard east for 5,000 feet
- v) Sun Valley in unincorporated Washoe County
- vi) Sparks urban core bounded by Sparks Boulevard to the East, Queens Way to the North, and the City of Sparks boundaries on the West and South

(8) Activity Description:

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

Through this program the Consortium will acquire and rehabilitate abandoned or foreclosed homes for resale to qualified households. The neighborhoods identified above are areas significantly impacted by the incidence of foreclosure estimated at 15 to 40 percent of the homes in these areas currently owned by banks. In addition, the continued foreclosure risk of these areas is rated high by HUD (7-9).

Properties to be acquired will be those already identified by jurisdiction staff as foreclosed and vacant within the determined area of need. Home values in these neighborhoods typically range from \$110,000 to \$215,000, making them affordable to the target populations. It is anticipated that rehabilitation required in these homes will range from nothing to \$75,000 to be in compliance with local building codes.

This program targets assistance to those households at or below 50 percent of AMI by adding to the inventory of affordable housing that will be available for this population.

For housing related activities, include:

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

Households assisted under this activity will be renters. Housing will be acquired, rehabilitated and managed by a local housing provider for the provision of

affordable housing to extremely low-income households. Continued affordability will be secured for not less than twenty (20) years through a resale and/or reversionary clause in the assistance contracts.

For acquisition activities, include:

- discount rate

Housing units will be acquired at a discounted price that considers carrying costs that would be incurred by the seller over the estimated length of time on the market if the property were not purchased under this activity.

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

\$1,000,000 in NSP funds are allocated to this activity. It is intended the contracted program operator will provide additional private funding for this program.

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

0-50% AMI	5 Households
-----------	--------------

NSP INFORMATION BY ACTIVITY

(2) Activity Name:

Washoe County Consortium Downpayment and Rehabilitation Assistance

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

NSP eligible use	Financing Mechanism (HERA 2301(c)(3)(A))
CDBG Eligible Activity	Homeownership Assistance for households at or below 120% of AMI (24 CFR 570.201(n))

(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).

National Objective	Benefiting LMMI persons at 60-120% of AMI Creating a Suitable Living Environment through the provision of Decent Housing
--------------------	---

(4) Projected Start Date:

February 1, 2009

(5) Projected End Date:

June 30, 2010 – funds equal to those allocated to this program will be committed by this date but revenue/program income received may be used for any approved activities as determined appropriate at that time of receipt and through June 30, 2013.

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

Washoe County HOME Consortium – The Consortium will be the state subrecipient responsible for funds administration and contracting for program implementation. It is anticipated the Consortium will contract with another entity for program implementation.

The City of Reno, as lead entity, is located at 1 East 1st Street, PO Box 1900, Reno, NV 89505. Jodi Royal-Goodwin will be the point of contact for fund and program administration.

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

This program will target three neighborhoods within the Reno MSA. These areas are:

- vii) Stead, between Interstate 395 and Lear Boulevard extending from Stead Boulevard east for 5,000 feet
- viii) Sun Valley in unincorporated Washoe County
- ix) Sparks' urban core bounded by Sparks Boulevard to the East, Queens Way to the North, and the City of Sparks boundaries on the West and South

(8) Activity Description:

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

This program will assist qualified households (those with incomes between 60 and 120% of AMI and able to secure a standard mortgage) to purchase homes currently owned by banks as the result of foreclosure through the provision of soft second loans. The neighborhoods identified above are areas significantly impacted by the incidence of foreclosure estimated at 15 to 45 percent of the homes in these areas currently owned by banks.

Properties to be acquired will be those already identified by jurisdiction staff as foreclosed and vacant within the determined areas of need. Home values in these neighborhoods typically range from \$110,000 to \$215,000. This program is not intended to assist households at or below 50 percent of AMI as sustainable homeownership is difficult to achieve due to limited income available for housing costs and typical housing prices.

For housing related activities, include:

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

Households assisted under this program will become homeowners and may receive up to \$40,000 in assistance to purchase and rehabilitation a home that has been foreclosed or abandoned. Rehabilitation work may include necessary health and safety or code repairs or energy efficiency improvements to assist in ensuring long-term affordability of the property for the assisted family. Continued affordability will be secured for not less than ten (10) years through recapture and equity sharing clauses in the assistance contract.

For financing activities, include:

- range of interest rates

Interest will not be charged on assistance provided.

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

\$400,000 in NSP funds will support this activity. When other local government or private funds are available to support this activity, such as HOME or WISH funds available to local lenders, they will be used in place of or to supplement these funds.

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

60-80% AMI	4 Households
81-120% AMI	6 Households
<u>Total Assisted</u>	10 Households

NSP INFORMATION BY ACTIVITY

Lyon County

Activity Name:

Lyon County Acquisition, Down Payment and Rehabilitation Assistance

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

NSP eligible use	Financing Mechanism (HERA 2301(c)(3)(A))
CDBG Eligible Activity	Homeownership Assistance for households at or below 120% of AMI (24 CFR 570.201(n))

(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).

National Objective	Benefiting LMMI persons at 50-120% of AMI Creating a Suitable Living Environment through the provision of Decent Housing
--------------------	---

(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.

This program will assist qualified households to purchase and to provide rehabilitation if necessary to homes currently owned by banks as the result of foreclosure through the provision of soft second loans. The neighborhoods identified are areas significantly impacted by the incidence of foreclosures.

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

This program will target neighborhoods within the Lyon County, with the zip codes of 89403 and 89408 up to and including the City of Fernley and the Dayton area. Funding will be allocated by zip code areas on a percentage of bank owned homes .

(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):

50% AMI or below	8 Household
60-120% AMI	18 Households
Total Assisted	24 Households

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

\$921,000 in NSP funds will support this activity. A minimum of \$330,000 of this budget will be to assist 50% of the area median income households.

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

Lyon County – Lyon County will be the state subrecipient responsible for funds administration and contracting for program implementation. Lyon County may contract with another entity for the rehabilitation portion of this activity.

Lyon County is located at 27 S. Main Street Yerington, NV 89447. Josh Foli, Lyon County Comptroller, will be the point of contact for fund and program administration.

(9) Projected Start Date:

February 15, 2009

(10) Projected End Date:

June 30, 2010 – funds equal to those allocated to this program will be committed by this date but revenue/program income received may be used for any approved activities as determined appropriate at that time of receipt and through June 30, 2013.

(11) Specific Activity Requirements

For acquisition activities, include:

Discount Rate-Approximately 15%

For financing activities:

Range of Interest Rates-Interest will not be charged on assistance provided.

For housing related activities, include:

tenure of beneficiaries--rental or homeownership;

duration or term of assistance;

a description of how the design of the activity will ensure continued affordability.

Households assisted under this program will become homeowners and may receive the maximum allowed assistance to purchase and rehabilitation a home that has been foreclosed or abandoned. Rehabilitation work may include necessary health and safety or

code repairs or energy efficiency improvements to assist in ensuring long-term affordability of the property for the assisted family. Continued affordability will be secured for not less than ten (10) years through recapture and equity sharing clauses in the assistance contract.

DRAFT - Nov 12, 2008

NSP INFORMATION BY ACTIVITY

Nye County

Activity Name:

Pahrump area Acquisition, Down Payment and Rehabilitation Assistance

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

NSP eligible use	Financing Mechanism (HERA 2301(c)(3)(A))
CDBG Eligible Activity	Homeownership Assistance for households at or below 120% of AMI (24 CFR 570.201(n))

(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).

National Objective	Benefiting LMMI persons at 50-120% of AMI Creating a Suitable Living Environment through the provision of Decent Housing
--------------------	---

(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.

A selected sub-recipient will identify and acquire foreclosed and/or abandoned properties within our service territory. Rehabilitation and energy conservation measures will be performed as needed. The sub-recipient will also provide Down Payment Assistance to qualified homebuyers and refer them to a HUD approved 8 hour homebuyer counseling program.

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

This program will neighborhoods within the Town of Pahrump Nevada in Nye County. More, specifically the funds will target neighborhoods west of Highway 160 which are centered north and south of Highway 372. This area has the highest concentration of foreclosures.

(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):

Below 50% AMI	4 Households
50-80% AMI	7 Households
81-120% AMI	9 Households
Total Assisted	20 Households

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

\$816,341 in NSP funds will support this activity. When other local government or private funds are available to support this activity, such as HOME or WISH funds available to local lenders, they will be used in place of or to supplement these funds.

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

A not-for-profit sub-recipient will be selected to operate this program.

(9) Projected Start Date:

February 15, 2009

(10) Projected End Date:

June 30, 2010 – funds equal to those allocated to this program will be committed by this date but revenue/program income received may be used for any approved activities as determined appropriate at that time of receipt and through June 30, 2013.

(11) Specific Activity Requirements

For acquisition activities, include:

Discount Rate-Approximately 15%

For financing activities:

Range of Interest Rates-Interest will not be charged on assistance provided.

For housing related activities, include:

tenure of beneficiaries--rental or homeownership;

duration or term of assistance;

a description of how the design of the activity will ensure continued affordability.

Households assisted under this program will become homeowners and may receive the maximum allowed assistance to purchase and rehabilitation a home that has been foreclosed or abandoned. Rehabilitation work may include necessary health and safety or code repairs or energy efficiency improvements to assist in ensuring long-term affordability of the property for the assisted family. Continued affordability will be

secured for not less than ten (10) years through recapture and equity sharing clauses in the assistance contract.

DRAFT - Nov 12, 2008

NSP INFORMATION BY ACTIVITY

Douglas County

Activity Name:

Douglas County Acquisition, Down Payment and Rehabilitation Assistance

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

NSP eligible use	Financing Mechanism (HERA 2301(c)(3)(A))
CDBG Eligible Activity	Homeownership Assistance for households at or below 120% of AMI (24 CFR 570.201(n))

(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).

National Objective	Benefiting LMMI persons at 50-120% of AMI Creating a Suitable Living Environment through the provision of Decent Housing
--------------------	---

(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.

The selected sub-recipient will identify and acquire foreclosed and/or abandoned properties within our service territory. Rehabilitation and energy conservation measures will be performed as needed. The subrecipient will also provide Down Payment Assistance to qualified homebuyers and refer them to a HUD approved 8 hour homebuyer counseling program.

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

This program will assist neighborhoods within the Minden/Gardnerville area of Douglas County including the area known as the Gardnerville Ranchos. This area has the highest concentration of foreclosures.

(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):

50% AMI or below	2 Household
60-80% AMI	3 Households
81-120% AMI	4 Households
Total Assisted	9 Households

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

\$355,041 in NSP funds will support this activity. When other local government or private funds are available to support this activity, such as HOME or WISH funds available to local lenders, they will be used in place of or to supplement these funds.

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

A not-for-profit sub-recipient will be selected to operate this program.

(9) Projected Start Date:

February 15, 2009

(10) Projected End Date:

June 30, 2010 – funds equal to those allocated to this program will be committed by this date but revenue/program income received may be used for any approved activities as determined appropriate at that time of receipt and through June 30, 2013.

(11) Specific Activity Requirements

For acquisition activities, include:

Discount Rate-Approximately 15%

For financing activities:

Range of Interest Rates-Interest will not be charged on assistance provided.

For housing related activities, include:

tenure of beneficiaries--rental or homeownership;

duration or term of assistance;

a description of how the design of the activity will ensure continued affordability.

Households assisted under this program will become homeowners and may receive the maximum allowed assistance to purchase and rehabilitation a home that has been foreclosed or abandoned. Rehabilitation work may include necessary health and safety or code repairs or energy efficiency improvements to assist in ensuring long-term affordability of the property for the assisted family. Continued affordability will be

secured for not less than ten (10) years through recapture and equity sharing clauses in the assistance contract.

DRAFT - Nov 12, 2008

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

Administrator
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): State of Nevada Lead Agency: Housing Division Jurisdiction Web Address: www.nvhousing.state.nv.us	NSP Contact Person: Dr. Hilary Lopez Chief of Federal Programs Address: 1535 Old Hot Springs Rd., # 50 Carson City, NV 89706 Telephone: 775-687-2040 Fax: 775-687-4040 Email: hlopez@nvhousing.state.nv.us
---	---

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 3.

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 14.

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 16.

a definition of "affordable rents,"

Yes No . Verification found on page 17.

a description of how the grantee will ensure continued affordability for NSP assisted housing,

Yes No . Verification found on page __18__.

a description of housing rehabilitation standards that will apply to NSP assisted activities?

Yes No . Verification found on page __18__.

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 _18__.

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 _18__.

Amount budgeted = \$ _6,480,000.00__.

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 _19__.

If so, does the substantial amendment include:

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

Yes No . Verification found on page _19__.

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

Yes No . Verification found on page _19__.

- 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 __19__.

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 __19__.

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

Yes No Verification found on page _19__.

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 __20-41__.

correlated eligible activity under CDBG,

Yes No Verification found on page _20-41__.

the areas of greatest need addressed by the activity or activities,

Yes No Verification found on page _20-41__.

expected benefit to income-qualified persons or households or areas,

Yes No Verification found on page __20-41__.

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 __20-41__.

appropriate performance measures for the activity,

Yes No Verification found on page _20-41__.

amount of funds budgeted for the activity,

Yes No Verification found on page __20-41__.

the name, location and contact information for the entity that will carry out the activity,

Yes No Verification found on page __20-41__.

expected start and end dates of the activity?

Yes No Verification found on page _20-41__.

If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,

Yes No Verification found on page _20-41__.

If the activity provides financing, the range of interest rates (if any),

Yes No Verification found on page __20-41__.

If the activity provides housing, duration or term of assistance,

Yes No . Verification found on page __20-41__.

tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page __20-41__.

does it ensure continued affordability?
Yes No . Verification found on page __20-41__.

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"/> |