State of Wisconsin

Department of Administration

(DUNS No. 80-903-6098)

Neighborhood Stabilization Program 3 Substantial Amendment To 2010 Annual Action Plan – Amendment #1

FR-5447-N-01

(Public Law 111-203, 2010)

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December 2010
Updated April 2014

State of Wisconsin ■ Scott Walker, Governor

Department of Administration ■ Mike Huebsch, Secretary

INTRODUCTION

The Neighborhood Stabilization Program 3 (NSP3) is authorized under Section 1497 of the Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010 (Pub. L. 111-203, approved July 21, 2010) for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties. The Dodd- Frank Act provides, under a rule of construction, that unless stated otherwise the NSP3 grant to Wisconsin is to be considered Community Development Block Grant (CDBG) funds. NSP3 funds in the amount of $5,000,000 are available to the Wisconsin State Program through the U.S. Department of Housing and Urban Development (HUD).

This Substantial Amendment to Wisconsin's 2010 Annual Action Plan represents a diligent planning and application effort by the State to secure these NSP3 federal funds to address critical housing needs in the State's highest risk census tracts due to foreclosures, abandonment and blight. The April 2013 Update adjusts Total Budget amounts for NSP Activities in Section G to reflect contract amendments made since the last update.

The Department of Administration is the lead agency for NSP3. The web address where NSP3 Substantial Amendment materials are posted is http://housing.wi.gov/. The NSP3 contacts are:

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NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Blood, Kate
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Mailing Address	101 E. Wilson St., P. O. Box 7970, Madison, WI 53707-7970

1. Areas of Greatest Need

Map Submission

The maps generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website are included as an attachment.

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.

Response: Areas of greatest need will be determined using data from HUD Foreclosure Need Web site as linked to from http://www.hud.gov/nsp. In order to comply with the NSP 3 requirement that funds be concentrated in highest needs census tracts in sufficient amounts to achieve significant and durable "impact" the State elected to set the minimum risk score of "13" for NSP 1 sub-grantees to be eligible to apply for NSP 3 . Using the minimum risk score of 13 allows funds to be directed to those areas with the highest percentage of home foreclosures, highest percentage of homes financed by subprime mortgage related loans and likely to face a significant rise in the rate of home foreclosures. Setting the minimum risk score at 13 resulted in decreasing the number of NSP 1 sub-grantees eligible to apply. Given that Wisconsin is receiving the minimum $5 million in NSP 3 funding, limiting the number of eligible sub-grantees better assures sufficient funds to address the number of units per eligible census tract required to achieve impact. NSP 1 sub-grantees who have census tracts with minimum risk scores of 13 may include :

- City of Kenosha
- City of Racine
- Rock County Consortium (Beloit and Janesville)
- Milwaukee County Consortium (and partners, including West Allis)
- Prairie du Chien Downtown Revitalization, Inc.
- Waukesha County Consortium

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:

In order to comply with the Dodd-Frank Act's stated objectives, the State of Wisconsin Department of Commerce established eligibility criteria for a sub-grantees' eligibility to apply for NSP 3 funds with the NSP 3 Pre-Applications which were received November 29, 2010. The eligibility criteria for this NSP 3

Pre-Application included:

(A) Being a current Wisconsin Department of Commerce NSP 1 sub-grantee in order to allow rapid deployment of funds by experienced and knowledgeable high-capacity sub-grantees who have shown the ability to successfully comply with NSP 1 regulations and guidance.
(B) Having demonstrated satisfactory performance on NSP 1 of obligation of their funds per quarter as specified in their contracts. NSP 3 requires 50% of grant funds to be expended within 24 months of the contract between HUD and the State; proven capacity and this ability to structure their activities to meet this deadline are essential.
(C) Signing up for FHA "First Look" program to allow first access to FHA foreclosures, and to take advantage of the discount provided to NSP sub-grantees on these properties.
(D) Applying for one (or maximum of two) census tracts in order to distributed funds within the state to highest risk census neighborhoods:

- That score of 13 or higher on HUD's NSP 3 foreclosure need scores (from HUD Foreclosure Need Web site as linked to from http://www.hud.gov/nsp) that are either the same as the sub-grantee's original NSP 1 census tracts or adjacent to one. If the sub-grantee proposes a census tract adjacent to an original NSP 1 census tract in their contract, the sub-grantee must have obligated NSP 1 funds in that original census tract.

- Must request sufficient funds to address at least minimum the number of units stipulated by HUD datasets (or five units, whichever is greater) to create a robust and durable impact in the census tract.

- Must be able to obligate a minimum of $750,000 (up to a maximum of $1,250,000) per census tract on eligible NSP3 housing activities. The minimum was established to assure sufficient funds to create the impact, and the maximum to allow as wide a distribution of the NSP 3 funds as feasible.

NSP 3 Pre-Applications will be reviewed to determine the percent of total grant funds requested per activity and review market justification for these activities based on the HUD demographic data. The State will have discussions with sub-grantees in January, 2011 to finalize the proposed activities. Final Applications are due into the State in February, 2011. If more funds are requested on the Final Applications than is available, the applications will be ranked and grant amounts determined by criteria, including:

- Percent of households served $\leq$ 50% CMI
- High needs risk score
- Affordable rental housing emphasis
- Exceeding Section 3 recruitment and hiring requirements
- Serving high needs populations: homeless, physical or mental disability, etc.
- Incorporation of green/energy efficient elements, access to transit, deconstruction, passive solar design features, etc.
- Percent of total NSP 3 funds requested being leveraged by other sources
- Cost per unit
- Exceeding minimum period of affordability requirements

Wisconsin is incorporating CDBG Entitlement jurisdiction's consolidated plan needs by reference and hyperlink on the Internet:

CDBG Entitlement	Plan Web Address
APPLETON	http://www.appleton.org/departments/finance/cdbg/01%20-%20Strategic%20Plan%202005-2009.pdf
BELOIT	http://www.ci.beloit.wi.us/vertical/Sites/{4AECD64A-01FA-4C24-8F53-D3281732C6AB}/uploads/{E140351B-94B3-44F5-8391-FD50AE4219C3}.PDF
EAU CLAIRE	http://www.eauclairewi.gov/images/stories/housing/pdf/2005-2009_consolidated_plan.pdf
FOND DU LAC	http://www.ci.fond-du-lac.wi.us/index.iml?department=27
GREEN BAY	http://www.ci.green-bay.wi.us/forms/annual_action_plan.pdf
JANESVILLE	http://www.ci.janesville.wi.us/Library/new/Consolidated%20Plan%202008%20Action%20PLan.pdf
KENOSHA	http://www.kenosha.org/departments/development/pdf/2005-2009_Consolidated_Plan_Final.pdf
LA CROSSE	http://www.cityoflacrosse.org/index.asp?NID=1526
MADISON	http://www.cityofmadison.com/cdbg/docs/2008ActionPlan.pdf
MILWAUKEE	http://www.ci.mil.wi.us/ImageLibrary/User/jsteve/CONPLAN.pdf
NEENAH	http://www.ci.neenah.wi.us/departments/community_developement/block_grant/index.html
OSHKOSH	http://www.ci.oshkosh.wi.us/Community_Development/pdf/2008_CDBG_Action_Plan.pdf
RACINE	http://www.cityofracine.org/Depts/development/#plans
SHEBOYGAN	http://www.ci.sheboygan.wi.us/Development/DevelopmentHome.html
SUPERIOR	http://commerce.wi.gov/CD/cd-boh-wns.html
WAUSAU	http://commerce.wi.gov/CD/cd-boh-wns.html
WAUWATOSA	http://www.wauwatosa.net/ImageLibrary/User/tszudy/AP2008.pdf
WEST ALLIS	http://www.ci.west-allis.wi.us/development/dev_services.htm
DANE CO	http://www.danecountyhumanservices.org/pdf/cdbg/cdbg_consol_2004-2008.pdf
MILWAUKEE COUNTY	http://www.ci.mil.wi.us/ImageLibrary/User/jsteve/NSP_PROPOSED.pdf
WAUKESHA City/County	http://www.homecortium.com

2. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	**Definition of "blighted structure" in context of state or local law.** The October 6, 2008, Federal Register Notice provides definitions for purposes of the CDBG Neighborhood Stabilization Program. The definition of "blighted structure" states a "*structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare*." Wisconsin will use the definition of blighted property contained in Wisconsin Statutes, Chapter 66 General Municipality Law, [s. 66.1333 (1) (2m) (bm), Wis. Stats.] as it applies to residential properties. That definition states, in part: "*any property within a city…which by reason of dilapidation, deterioration, age or obsolescence, inadequate provisions for ventilation, light, air or sanitation, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease,…retards the provisions of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use*...."
Affordable Rents	**Definition of "affordable rents."** Wisconsin will use the HOME standards at 24 CFR 92.252(a), (c), (e), and (f) to define affordable rents, including: ➢ The maximum rent will be the lesser of: (a) the fair market rent for existing housing for comparable units in the area as established by HUD; or (b) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. ➢ The maximum monthly allowances for utilities and services will be those used by the local housing authority. ➢ Units assisted with NSP3 funding must meet the affordability requirements for not less than the applicable period specified without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements will be imposed by use of a deed restriction on the assisted property:

Rental Housing Activity	Minimum Period of Affordability
Rehab or acquisition of existing housing per unit assistance:	Years
<$15,000	5
$15,000 - $40,000	10
>$40,000 or rehab involving financing	15
New Construction or acquisition of newly constructed housing	20

- Subsequent rents during the affordability period: Rents are recalculated by HUD periodically and distributed. The rents for a project are not required to be lower than the rent limits for the project in effect at the time of project commitment.

  Project owners will be provided with information on updated rent limits so rents may be adjusted in accordance with the written agreement between the agency and the owner. Owners must annually provide information on rents and occupancy of the assisted units to demonstrate compliance.

  Any increase in rents for assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

Descriptions

Term	Definition
Long-Term Affordability	**Describe how the grantee will ensure continued affordability for NSP3 assisted housing.** Homeownership housing affordability will utilize the HOME standard at 92.254, including: ➢ The housing must be single-family housing. ➢ The housing must be modest housing: The purchase price/after rehabilitation value cannot exceed 95% of the median purchase price for the area as contained in the Single Family Mortgage Limits under Section 203(b) of the National Housing Act (which may be obtained from the HUD Field Office);

- Under the Dodd-Frank Act, housing must serve a household with incomes ≤120% of area median income.
- The housing must be the principal residence of the family throughout the affordability period.
- Periods of affordability:

Homeownership Activity	Minimum Period of Affordability
Rehab or acquisition of existing housing per unit assistance:	Years
<$15,000	5
$15,000 - $40,000	10
>$40,000 or rehab involving financing	15
New Construction or acquisition of newly constructed housing	20

- Recapture requirements must be imposed to ensure affordability. The recapture provisions will ensure that all or a portion of the NSP3 assistance to homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability, is returned to assist additional eligible households. The specific structure of recapture provisions will be based on sub-grantee program design and market conditions. All recapture provisions will be based upon net proceeds available at sale. Acceptable recapture options include: (a) recapture of the entire amount of assistance from the homeowner; (b) reduction of the amount during affordability period based on length of time the property has been owned and occupied by the homeowner; (c) shared net proceeds.

Housing Rehabilitation Standards

Describe housing rehabilitation standards that will apply to NSP3 assisted activities.

The State's HOME Program Rehab Standards will apply to NSP3-assisted existing housing activities. These Rehab Standards require that properties meet all applicable local and state codes and laws and that the properties be decent and safe. The Rehab Standards currently require the use of Energy Star rated components in rehabilitation projects.

All new construction will adhere to the Wisconsin Uniform Dwelling Code, which incorporates the Model Energy Standard. Developers of new housing are encouraged to incorporate green building and energy efficiency into their projects. Administration may also partner with Focus on Energy to provide incentives for installing energy efficiency improvements to units.

3. Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.
Response: Total low-income set-aside **percentage** (must be no less than 25 percent): 25.00% Total funds set aside for low-income individuals = $1,250,000

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.
Response: The estimated amount of NSP3 funds to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties that will meet the requirement that 25% of funds be used to serve households with incomes at or below 50% of area median income is $1,250,000. All applicants will be encouraged to respond to the housing needs of households that do not exceed 50% AMI through the scoring system for applications. The State anticipates that approximately 75% of the rental activity funds will benefit households earning less than 50% AMI.

4. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	Yes (Note: The following numbers are approximate until Final Applications are received.)

If yes, fill in the table below.

Question	**Number of Units**
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	6
The number of NSP affordable housing units made available to low- , moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion). **(this includes 2 land bank activities)**	6
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	2

5. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.

The State solicited input from NSP 1 grantees in preparation of the NSP3 Substantial Amendment. Commerce created a NSP 3 Pre-Application that was made available to all NSP 1 grantees to be submitted by November 29, 2011 for NSP3 eligible applicants to outline their proposed projects and funding requests so that the State could better estimate activities/outcomes for the NSP3 Substantial Amendment. Five communities/agencies participated in the Pre-Application.

On November 30, 2010, the Substantial Amendment was posted on the Department of Commerce website http://www.commerce.state.wi.us/. The official public examination and comment period for the Substantial Amendment was November 30-December 14, 2010, with written, emailed, or faxed comments accepted until 9:00 AM on December 15, 2010. Notification of the comment period and an Amendment summary was published in the Wisconsin State Journal, the official State newspaper, on November 30, and was provided to all NSP 1 sub-grantees and all Wisconsin Entitlement communities.

The Department of Commerce received 86 written comments during the public comment period. Eighty four of the comments were written in support of allocating NSP 3 grant funds to Census Tract 55079006000 in the City of Milwaukee, Sherman Park neighborhood as proposed in the City of Milwaukee's NSP 3 Pre-Application. Of the remaining two comments, both were requesting information on determining eligibility for applying for NSP 3 funds. These comments received during the public comment period are summarized and included as an attachment (Attachment B).

Summary of Public Comments Received.

The summary of public comments received is included as Attachment B.

6. NSP Information by Activity

Activity Number 1	
Activity Name	**ACQUISITION, REHAB, AND RESALE OR RENTAL OF FORECLOSED OR ABANDONED HOMES**
Uses	Select all that apply: ☐ Eligible Use A: Financing Mechanisms ☒ Eligible Use B: Acquisition and Rehabilitation ☐ Eligible Use C: Land Banking ☐ Eligible Use D: Demolition ☐ Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(a) Acquisition, (b) Disposition, (i) Relocation,

	(n) Direct homeownership assistance (as modified below) 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties HUD notes that any of the activities may include required homebuyer counseling as an activity delivery cost As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206
National Objective	Low, moderate and middle income persons benefit as defined in the NSP3 Notice (≤ 120% of area median income).

Activity Description	**Eligible Use B. Resale:**
	
	Purchase and rehabilitation of foreclosed or abandoned residential properties in order to sell such homes and properties. Activities include acquisition, demolition, disposition, direct homeownership assistance, rehabilitation or reconstruction, housing counseling.
	
	The Department anticipates that approximately half of the funds awarded through the Final Application will be directed to this activity primarily for expanding affordable homeownership opportunities. The properties acquired will be ultimately made available to income-eligible buyers. The Department anticipates that approximately 60% of the funds will benefit households earning less than 50% AMI.
	
	Properties acquired under this program will have a purchase discount of at least 1% from appraised value. The appraisal will be done within 60 days of the final offer to purchase.
	
	Each homebuyer must complete a minimum of 8 hours of homebuyer education from a HUD certified counseling program.
	
	• This activity will address local housing market conditions by: Providing affordable energy-efficient housing units that are priced to be sustainable by households at or below 120% CMI. Given the HUD dataset statistics of unemployment, number of foreclosures and number of high risk loans, the sub-grantees have identified homeownership as the means of stabilizing these neighborhoods that are predominantly owner-occupied, preventing further decline in housing prices and meeting the demand for housing accessible to amenities in the city centers.
	
	• Range of Interest Rates:
	  ○ No interest will be applied to these funds
	
	• Duration or term of assistance:
	  ○ The duration of the assistance will be regulated by HOME

Affordability Requirements outlined in *Section 3: Definitions and Descriptions.*

- Tenure:
  - Homeownership
- Expected Benefit:
  - Please see Performance Measures
- Continued Affordability:
  - The term of the affordability will be regulated by HOME Affordability Requirements and is determined by the amount of NSP 3 funds assisting the unit outlined in *Section 3: Definitions and Descriptions*.
- Hiring of employees who reside in the vicinity of NSP 3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project including information on existing local ordinances that address these requirements –
  - Funding will give priority to those applications that emphasize Section 3 recruitment and hiring procedures.
- Preference for development of affordable rental housing
  - Funding will give priority to those applications that emphasize affordable rental housing activities.

Eligible Use B. Rental:

Purchase and rehabilitation of foreclosed or abandoned residential properties in order to rent such homes and properties. Activities include acquisition, demolition and rehabilitation or reconstruction.

The Department anticipates that approximately 15% of the "competitive" NSP3 funding (funds awarded through the Final Application) will be directed to this activity primarily for expanding affordable housing opportunities. The Department anticipates that approximately 80% of the funds will benefit households earning less than 50% AMI.

Properties acquired under this program will have a purchase discount of at least 1% from appraised value. The appraisal will be done within 60 days prior to the offer to purchase.

- This activity will address local housing market conditions by: Providing

  affordable rental units in areas with persistently high unemployment. The proposed high risk neighborhoods have experienced relatively low vacancy and continue to experience demand for high quality

affordable rental housing units.

- Range of Interest Rates:
  - No interest will be applied to these funds
- Duration or term of assistance:
  - The duration of the assistance will be regulated by HOME Affordability Requirements outlined in *Section 3: Definitions and Descriptions*
- Tenure:
  - Affordable rental
- Expected Benefit:
  - Please see Performance Measures
- Continued Affordability:
  - The term of the affordability will be regulated by HOME Affordability Requirements and is determined by the amount of NSP 3 funds assisting the unit outlined in *Section 3: Definitions and Descriptions*.
- Hiring of employees who reside in the vicinity of NSP 3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project including information on existing local ordinances that address these requirements –
  - Funding will give priority to those applications that emphasize Section 3 recruitment and hiring procedures.
- Preference for development of affordable rental housing
  - Funding will give priority to those applications that emphasize affordable rental housing activities.

Location Description	NSP 1 sub-grantees who have census tracts with minimum risk scores of 13

Budget	**Source of Funding**	**Dollar Amount**
	NSP3	$4,032,222.58
	(Other funding source)	$0
	(Other funding source)	$0
Total Budget for Activity		**$**4,032,222.58

Performance Measures

Estimated Households Assisted* (AMI)				
Tenure	**0-50%**	**51-80%**	**81-120%**	**Total**
Resale	9	5	10	24

		Rental	6	2	0	8
		** These are approximate numbers based on NSP 3 Pre-Applications.*				

Projected Start Date	May, 2011	
Projected End Date	May, 2014	
Responsible Organization	**Name**	Department of Administration
	Location	101 E. Wilson Ave., 5th Floor, P. O. Box 7970, Madison, WI 53707-7970
	Administrator Contact Info	Kate Blood; 608-264-7838; kate.blood@wisconsin.gov

Activity Number 2	
Activity Name	**LANDBANKING**
Use	Select all that apply: ☐ Eligible Use A: Financing Mechanisms ☐ Eligible Use B: Acquisition and Rehabilitation ☒ Eligible Use C: Land Banking ☐ Eligible Use D: Demolition ☐ Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(a) Acquisition, and (b) Disposition
National Objective	Serves an area in which at least 51 percent of the residents have incomes at or below 120% percent of area median income (LMMA) as defined in the NSP3 Notice.
Activity Description	The State's sub-grantees will look to locally established land banks to identify foreclosed homes within targeted neighborhoods meeting the LMMA benefit requirements. The land banks will acquire and dispose of the property within 10 years by: 1) holding and maintaining the home in its portfolio for future redevelopment; 2) demolishing the home if it is blighted and maintain the property in its portfolio; 3) selling the cleared site to a developer for redevelopment; or 4) rehabilitating the home and either selling it to an eligible homebuyer or to a local partner as rental property. The State's sub-grantees will seek a purchase discount rate of at least 1% from appraised value. The eligible properties for demolition will be those meeting the definition of blighted property in Section 3. *Definitions and Descriptions*. This initiative will require that a disposition strategy be in identified in the Final Application. The primary interim and long-term uses of these properties would be for either owner-occupied or rental property in accordance with applicable affordability requirements. Proceeds of an affordable resale will be repaid as program income. Rent payments received will be used for the normal costs associated with rental property ownership, including debt services, utilities and

	insurance, management costs, maintenance and operating costs. Rent revenues not used for these purposes will be considered program income.
	• This activity will address local housing market conditions by: Demolishing and land banking blighted structures in high risk neighborhoods with high vacancy and persistently high unemployment. These lots will be maintained and redeveloped as the neighborhood is stabilized and demand for rental or homeownership opportunities returns.
	• Duration or term of assistance:
	  ○ The duration of the assistance will be regulated by HOME Affordability Requirements outlined in *Section 3: Definitions and Descriptions*
	• Tenure:
	  ○ Eventual homeownership or rental
	• Expected Benefit:
	  ○ Please see Performance Measures
	• Continued Affordability:
	  ○ The term of the affordability will be regulated by HOME Affordability Requirements and is determined by the amount of NSP 3 funds assisting the unit outlined in *Section 3: Definitions and Descriptions*.
	• Hiring of employees who reside in the vicinity of NSP 3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project including information on existing local ordinances that address these requirements –
	  ○ Funding will give priority to those applications that emphasize Section 3 recruitment and hiring procedures.
	• Preference for development of affordable rental housing
	  ○ Funding will give priority to those applications that emphasize affordable rental housing activities.

Location Description	NSP 1 sub-grantees who have census tracts with minimum risk scores of 13
Budget	**Source of Funding** / **Dollar Amount**
	NSP3 / $44,365
	(Other funding source) / $0
	(Other funding source) / $0
Total Budget for Activity	$44,365
Performance Measures	Properties acquired – estimated at two.
Projected Start Date	May, 2011

Projected End Date	May, 2014	
Responsible Organization	**Name**	Department of Administration
	Location	101 E. Wilson Ave., 5th Floor, P. O. Box 7970, Madison, WI, 53707-7970
	Administrator Contact Info	Kate Blood; 608-264-7838; kate.blood@wisconsin.gov

Activity Number 3	
Activity Name	**DEMOLITION OF BLIGHTED STRUCTURES**
Use	Select all that apply: ☐ Eligible Use A: Financing Mechanisms ☐ Eligible Use B: Acquisition and Rehabilitation ☐ Eligible Use C: Land Banking ☒ Eligible Use D: Demolition ☐ Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(d) Clearance for blighted structures only.
National Objective	Serves an area in which at least 51 percent of the residents have incomes at or below 120% percent of area median income (LMMA) as defined in the NSP3 Notice.
Activity Description	The properties demolished with these funds will be blighted structures (See Part C. *Definitions and Description*). Priority will be given to tax reverted property owned by a local unit of government or owned or under control of a land bank. Privately owned properties will also be considered for demolition. Once a blighted structure(s) is identified, the local partner will contract and/or perform eligible activities. Eligible activities are costs directly associated with: • Deconstruction and demolition (includes utility shut-off and hazardous materials testing and removal); • Clearance, removal and disposition of materials; • Site restoration (grading, seeding, and curb replacement) The following outlines the general terms and conditions of this activity: • This activity will address local housing market conditions by: Demolishing and land banking blighted structures in high risk neighborhoods with high vacancy and persistently high unemployment. These lots will be maintained and redeveloped as the neighborhood is stabilized and demand for rental or homeownership opportunities returns. • Duration or term of assistance: ○ The duration of the assistance will be regulated by HOME Affordability Requirements outlined in *Section 3: Definitions and Descriptions*

	• Tenure:
	  ○ NA
	• Expected Benefit:
	  ○ Please see Performance Measures
	• Continued Affordability:
	  ○ The term of the affordability will be regulated by HOME Affordability Requirements and is determined by the amount of NSP 3 funds assisting the unit outlined in *Section 3: Definitions and Descriptions*.
	• Hiring of employees who reside in the vicinity of NSP 3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project including information on existing local ordinances that address these requirements –
	  ○ Funding will give priority to those applications that emphasize Section 3 recruitment and hiring procedures.
	• Preference for development of affordable rental housing
	  ○ Funding will give priority to those applications that emphasize affordable rental housing activities.

Location Description	NSP 1 sub-grantees who have census tracts with minimum risk scores of 13

Budget	**Source of Funding**	**Dollar Amount**
	NSP3	$59,050.92
	(Other funding source)	$0
	(Other funding source)	$0
Total Budget for Activity		$59,050.92
Performance Measures	Demolished sites for land bank only activities estimated at 2.	
Projected Start Date	May , 2011	
Projected End Date	May, 2014	
Responsible Organization	**Name**	Department of Administration
	Location	101 E. Wilson Ave., 5th Floor, P. O. Box 7970, Madison, WI, 53707-7970
	Administrator Contact Info	Kate Blood; 608-264-7838; kate.blood@wisconsin.gov

Activity Number 4	
Activity Name	**REDEVELOPMENT**
Use	Select all that apply: ☐ Eligible Use A: Financing Mechanisms

	☐ Eligible Use B: Acquisition and Rehabilitation ☐ Eligible Use C: Land Banking ☐ Eligible Use D: Demolition ☒ Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(a) Acquisition, (b) Disposition, (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). 24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties. 24 CFR 570.204 Community based development organizations. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost. New construction of housing is eligible as part of the redevelopment of demolished or vacant properties.
National Objective	Low, moderate and middle income persons benefit as defined in the NSP3 Notice (≤ 120% of area median income).
Activity Description	Activities include acquisition, demolition, disposition, and new construction. Redevelopment may be for housing only; non-residential uses, commercial uses, parks or mixed residential uses are <u>not</u> permitted. This program will involve the reuse of vacant properties, including vacant structures and demolished properties. Vacant structures may be commercial, single-family or multi-family properties. Activities under this section may include acquisition for blighted structures, demolition and redevelopment costs of creating rental or homeownership units. Properties will be acquired at a minimum of a 1 % discount from the appraised market value in their as-is condition. Properties will be redeveloped to the extent necessary to assure marketability and conformance with local codes. Redeveloped properties may include rental, or homeownership. Gap financing will be provided for new construction or conversion to housing that is affordable to families earning under 120% AMI. Proposals will be evaluated based on economic feasibility, the amount of the project gap, the timeline for completion, and evidence of committed funding sources necessary to undertake the project.

	The minimum affordability period for assistance under this activity will be dependent on the reuse of the property. See Section 3. *Definitions and descriptions.*
	
	• This activity will address local housing market conditions by: Providing quality affordable, energy efficient resale or lease-purchase homes in high risk areas with home price declines. These resale or lease-purchase units will help stabilize the neighborhood and prevent further equity slippage. Demand for high quality rental and lease-purchase homes by households at or below 120% CMI in this neighborhood remains relatively strong.
	
	• Range of Interest Rates:
	  ○ No interest will be applied to these funds
	
	• Duration or term of assistance:
	  ○ The duration of the assistance will be regulated by HOME Affordability Requirements outlined in *Section 3: Definitions and Descriptions*
	
	• Tenure:
	  ○ Homeownership or rental
	
	• Expected Benefit:
	  ○ Please see Performance Measures
	
	• Continued Affordability:
	  ○ The term of the affordability will be regulated by HOME Affordability Requirements and is determined by the amount of NSP 3 funds assisting the unit outlined in *Section 3: Definitions and Descriptions*.
	
	• Hiring of employees who reside in the vicinity of NSP 3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project including information on existing local ordinances that address these requirements –
	  ○ Funding will give priority to those applications that emphasize Section 3 recruitment and hiring procedures.
	
	• Preference for development of affordable rental housing
	  ○ Funding will give priority to those applications that emphasize affordable rental housing activities.	

Location Description	NSP 1 sub-grantees who have census tracts with minimum risk scores of 13	
Budget	**Source of Funding**	**Dollar Amount**

	NSP3	$417,758,397.00
	(Other funding source)	$0
	(Other funding source)	$0
Total Budget for Activity		$417,758,397.00
Performance Measures		

Estimated Households Assisted* (AMI)			
0-50%	**51-80%**	**81-120%**	**Total**
0	0	1	1
** These are approximate numbers based on NSP 3 Pre-Applications.*			

Projected Start Date	May, 2011	
Projected End Date	May, 2014	
Responsible Organization	**Name**	Department of Administration
	Location	101 E. Wilson Ave., 5th Floor, P. O. Box 7970, Madison, WI, 53707-7970
	Administrator Contact Info	Kate Blood; 608-264-7838; kate.blood@wisconsin.gov

Activity Number 5	
Activity Name	**ADMINISTRATION**
Use	Select all that apply: ☐ Eligible Use A: Financing Mechanisms ☐ Eligible Use B: Acquisition and Rehabilitation ☐ Eligible Use C: Land Banking ☐ Eligible Use D: Demolition ☐ Eligible Use E: Redevelopment
CDBG Activity or Activities	Administration – General Management and Oversight as allowed under 24 CFR 570.206
National Objective	NA
Activity Description	Administration anticipates distributing the administrative funds as follows: ➢ A maximum of 2.5% will be reserved for Department of Administration administration (including pre-award activities as allowed under 24 CFR 570.200(h)), training and technical assistance, and environmental reviews). ➢ Local grantees will receive up to 7.5% administrative funds due to how overall NSP3 administrative dollars are calculated. The state will allow grantees to retain and reuse NSP3 program income and to allocate up to 10% of these amounts for administrative purposes.
Location Description	Department of Administration: $125,000

	Sub-grantees once local grants are awarded: $340,116	
Budget	**Source of Funding**	**Dollar Amount**
	NSP3	$465,116
	(Other funding source)	$0
	(Other funding source)	$0
Total Budget for Activity		$465,116
Performance Measures	NA	
Projected Start Date	May, 2011	
Projected End Date	May, 2014	
Responsible Organization	**Name**	Department of Administration
	Location	101 E. Wilson Ave., 5th Floor, P. O. Box 7970, Madison, WI, 53707-7970
	Administrator Contact Info	Kate Blood; 608-264-7838; kate.blood@wisconsin.gov

7. Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing**. The jurisdiction certifies that it 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-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that 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.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
(6) **Acquisition and relocation.** The jurisdiction certifies that it 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.

(7) **Section 3.** The jurisdiction certifies that it 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.

(8) **Citizen participation.** The jurisdiction certifies that it 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.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**

a. 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; and

b. 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:

a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

b. 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 nonviolent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that 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 jurisdiction certifies that its 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 certifies that it will comply with applicable laws.

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) **Development of affordable rental housing.** The jurisdiction certifies that it will be abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

_____ December 19, 2010_____

James O'Keefe Date

Administrator, Division of Housing and
Community Development_____
Title