



**Unified Government of
Wyandotte County/Kansas City, Kansas**

Joseph F. Reardon, Mayor/CEO

701 North 7th Street, Suite 926
Kansas City, Kansas 66101
Phone: (913) 573-5010
Fax: (913) 573-5020

February 25, 2011

Ms. Theresa Porter
Director, Community Planning & Development
U.S. Department of Housing and Urban Development
Region VII
400 State Avenue
Kansas City, Kansas 66101-2406

Dear Ms. Porter:

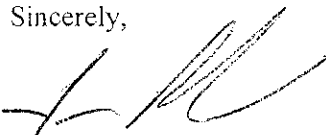
SUBJECT: NSP3 Application- 2010 Action Plan/ Substantial Amendment

We are pleased to submit the Unified Government of Wyandotte County/Kansas City, Kansas' 2010 Action Plan/Substantial Amendment as our application for the Neighborhood Stabilization Program (NSP3) funds. It is our understanding that the Unified Government/Kansas City, Kansas has an entitlement of \$1,137,796.

As required by HUD, we have included the signed SF-424 form and Certifications. In addition, the greatest needs map has been created as directed, and a copy is attached. Finally, the Substantial Amendment, with citizen comments, has been posted on the Unified Government's website.

Please contact Wilba Miller, Director of Community Development, if more information is needed. She may be reached at (913) 573-5100 or at wmiller@wycokck.org. We look forward to implementing the NSP3 project that will benefit Kansas City, Kansas families.

Sincerely,



Joe Reardon
Mayor/CEO

**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED		Applicant Identifier 48-119-4075	
		3. DATE RECEIVED BY STATE		State Application Identifier	
		4. DATE RECEIVED BY FEDERAL AGENCY		Federal Identifier	
5. APPLICANT INFORMATION					
Legal Name: Unified Government of Wyandotte County/Kansas City, Kansas			Organizational Unit: Department: Community Development		
Organizational DUNS: 030693592			Division:		
Address: Street: 701 N. 7th Street, Room 823			Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Kansas City			Prefix: Ms.		First Name: Wilba
County: Wyandotte			Middle Name J.		
State: Kansas			Last Name Miller		
Zip Code: 66101-3035			Suffix: Director, Community Development		
Country: USA			Email: wmiller@wycokck.org		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 48-1194075			Phone Number (give area code) 913-573-5100		Fax Number (give area code) 913-573-5115
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.)			7. TYPE OF APPLICANT: (See back of form for Application Types) Municipal Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): NSP 3			9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City of Kansas City, Wyandotte County, Kansas			11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Neighborhood Stabilization Program (NSP3)		
13. PROPOSED PROJECT Start Date: 3/1/11 Ending Date: 2/28/14			14. CONGRESSIONAL DISTRICTS OF: a. Applicant b. Project		
15. ESTIMATED FUNDING:			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$	1,137,796	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant	\$		DATE:		
c. State	\$		b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
d. Local	\$		<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$		17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
f. Program Income	\$		<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
g. TOTAL	\$	1,137,796			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.					
a. Authorized Representative					
Prefix Mr.		First Name Joe		Middle Name	
Last Name Reardon		Suffix			
b. Title Mayor/Chief Executive Officer		c. Telephone Number (give area code) 913-573-5010			
d. Signature of Authorized Representative		e. Date Signed 2/25/11			

CD

RESOLUTION NO. R-13-11

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS CITY, KANSAS:

That the Mayor/Chief Executive Officer of the Unified Government of Wyandotte County/Kansas City, Kansas is hereby authorized and directed to execute in the name of the Unified Government, and the Unified Government Clerk is hereby authorized and directed to attest the signature of said Mayor/Chief Executive Officer and to attach the seal of the Unified Government thereto as the voluntary act of the Unified Government to the Resolution for the 2010 Action Plan Plan/Substantial Amendment for the Neighborhood Stabilization Program (NSP3) application by the Unified Government of Wyandotte County/ Kansas City, Kansas to the U.S. Department of Housing and Urban Development and to implement the 2010 Annual Action Plan/Substantial Amendment Strategy for the 2010-2014 Five Year Consolidated Plan upon approval.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE UNIFIED GOVERNMENT OF WYANDOTTE COUNTY/KANSAS THIS 17TH DAY OF FEBRUARY, 2011.



Mayor/CEO Joe Reardon

Attest:



Unified Government Clerk

Approved as to Form:



Jody Boeding, Chief Counsel

20-27-11 PM 4:30 2011

Appendix: NSP3 Action Plan Contents Checklist

The checklist below is an optional tool for NSP3 grantees to help to ensure that all required elements of the NSP3 Substantial Amendment or the Abbreviated Plan are submitted to HUD. This checklist only includes the minimum required elements that must be included in the NSP3 Action Plan and grantees may want to add additional details. This document must be protected, as described above, in order to use the checkboxes in this checklist.

1. NSP3 Grantee Information

	Yes
Did you include the Program Administrator's name, address, phone, and email address?	<input checked="" type="checkbox"/>

2. Areas of Greatest Need

	Yes
Does the narrative description describe how funds will give priority emphasis to areas of greatest need?	<input checked="" type="checkbox"/>
Does the narrative description specifically address how the funds will give priority emphasis to those areas:	
• With the highest percentage of home foreclosures?	<input checked="" type="checkbox"/>
• With the highest percentage of homes financed by subprime mortgage related loan?; and	<input checked="" type="checkbox"/>
• Identified by the grantee as likely to face a significant rise in the rate of home foreclosures?	<input checked="" type="checkbox"/>
Did you create the area of greatest needs map at http://www.huduser.org/NSP/NSP3.html ?	<input checked="" type="checkbox"/>
Did you include the map as an attachment to your Action Plan?	<input checked="" type="checkbox"/>
<i>ONLY Applicable for States:</i> Did you include the needs of all entitlement communities in the State?	<input type="checkbox"/>

3. Definitions and Descriptions

	Yes
Are the following definitions and topics included in your substantial amendment?:	<div style="background: repeating-linear-gradient(45deg, transparent, transparent 2px, black 2px, black 4px); width: 100px; height: 40px; margin: 0 auto;"></div>
• Blighted structure in context of state or local law,	<input checked="" type="checkbox"/>

<ul style="list-style-type: none"> • Affordable rents, • Ensuring long term affordability for all NSP funded housing projects, • Applicable housing rehabilitation standards for NSP funded projects 	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>

4. Low-Income Targeting

	Yes
Did you identify the estimated amount of funds appropriated to provide housing that meets the low-income set aside target?	<input checked="" type="checkbox"/>
Did you provide a summary describing how your jurisdiction will meet its low-income set aside goals?	<input checked="" type="checkbox"/>

5. Acquisition & Relocation

	Yes
For all acquisitions that will result in displacement did you specify:	
• The planned activity,	<input type="checkbox"/>
• The number of units that will result in displacement,	<input type="checkbox"/>
• The manner in which the grantee will comply with URA for those residents?	<input type="checkbox"/>

6. Public Comment

	Yes
Did you provide your draft of the NSP3 substantial amendment for a minimum of 15 days for public comment?	<input checked="" type="checkbox"/>
Did you include the public comments you received on the NSP3 substantial amendment in your plan?	<input checked="" type="checkbox"/>

7. NSP Information by Activity

	Check all that apply
Did you include a description of all eligible NSP3 activities you plan to implement with your NSP3 award?	<input checked="" type="checkbox"/>
For each eligible NSP3 activity you plan to implement did you include:	

• Eligible use or uses?	<input checked="" type="checkbox"/>
• Correlated eligible CDBG activity or activities?	<input checked="" type="checkbox"/>
• Associated national objective?	<input checked="" type="checkbox"/>
• How the activity will address local market conditions?	<input checked="" type="checkbox"/>
• Range of interest rates (if any)?	<input checked="" type="checkbox"/>
• Duration or term of assistance?	<input checked="" type="checkbox"/>
• Tenure of beneficiaries (e.g. rental or homeowner)?	<input checked="" type="checkbox"/>
• If the activity produces housing, how the design of the activity will ensure continued affordability?	<input checked="" type="checkbox"/>
• How you will, to the maximum extent possible, provide for vicinity hiring?	<input checked="" type="checkbox"/>
• Procedures used to create affordable rental housing preferences?	<input type="checkbox"/>
• Areas of greatest need addressed by the activity or activities?	<input checked="" type="checkbox"/>
• Amount of funds budgeted for the activity?	<input checked="" type="checkbox"/>
• Appropriate performance measures for the activity (e.g. units of housing to be acquired, rehabilitated, or demolished for the income levels represented in DRGR) ?	<input checked="" type="checkbox"/>
• Expected start and end dates of the activity?	<input checked="" type="checkbox"/>
• Name and location of the entity that will carry out the activity?	<input checked="" type="checkbox"/>

8. Certifications

	Yes
Did you sign and submit the certification form applicable to your jurisdiction?	<input checked="" type="checkbox"/>

9. Additional Documentation

	Yes
Did you include a signed SF-424?	<input checked="" type="checkbox"/>

Unified Government of Wyandotte County/Kansas City, Kansas: NSP3 Action Plan -substantial Amendment

Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub.L.111-203), known as the Dodd-Frank Act and approved by Congress on July 21, 2010, appropriated \$1 billion to mitigate the negative impact of the nation's economic decline and housing market collapse and to stabilize and revitalize communities that have been most severely impacted. This grant program is generally known as the Neighborhood Stabilization Program (NSP), and this is its third round of funding since 2008. The additional allocation is referred to as NSP3. NSP is a component of the Community Development Block Grant (CDBG) which was authorized under Housing and Community Development Act of 1974, as amended (42 U.S.C. et seq.) (HCD Act).

The Unified Government of Wyandotte County Kansas City, Kansas (UG) has received an allocation of \$1,137,796 and has prepared this substantial amendment to the UG's 2010 Action Plan in order to comply with the U.S. Department of Housing and Urban Development (HUD) requirement of submission by the deadline of March 1, 2011. Upon approval of the application, the UG must expend 50 percent of the grant within 2 years and 100 percent within 3 years. Also, according to statutory requirement, funds must be used with respect to individuals and families whose income does not exceed 120 percent of area median income; 25 percent of the grant amount must be expended for households whose income is at or under 50 percent of area median income. The UG is requesting funds in the following eligible use areas: (B) acquisition and rehabilitation (D) demolition of blighted structures; (E) redevelopment of demolished or vacant properties and administration.

Contact the following UG staff regarding the NSP3 UG 2010 Action Plan Substantial Amendment:

Wilba J. Miller, Director
Community Development Department
Unified Government of Wyandotte County
Kansas City, Kansas
701 N. 7th Street, Room 823
Kansas City, Kansas 66101
Telephone: 913-573-5100
E-mail: wmiller@wycokck.org

The NSP3 UG 2010 Action Plan is posted at the UG website as follows:

www.wycokck.org

1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Wilba J. Miller
Email Address	wmiller@wycokck.org
Phone Number	913-573-5100
Mailing Address	701 N. 7 th St., Rm. 823, Kansas City, Kansas 66101

2. Areas of Greatest Need

Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing the Action Plan website is included as **Attachment A**.

Data Sources Used to Determine Areas of Greatest Need

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

Response:

The HUD Mapping Tool was used to determine the areas of greatest need, located at the Foreclosure Need website (<http://www.huduser.org/portal/datasets/NSP.html>). The information includes estimates of foreclosure need and foreclosure related needs scores at the Census Tract Level. The Scores range from 1 to 20, with 20 being census tracts with the HUD-estimated greatest need.

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:

The areas of greatest need were established by first considering that NSP3 guidelines require that the target area must have an individual or average combined index score that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. The UG considered that the State of Kansas has a minimum requirement rating score of 12 or higher. Wyandotte County has 2 areas with scores of 19. At Census tracts 439.05 and 407. After evaluation of all eligible greatest need areas by score, it was then determined that the following criteria would be used for each of the census tracts with risk scores of 19 and contiguous areas to comply with other HUD criteria for outcomes, i.e. areas with the highest number of foreclosed homes ; areas most likely to meet the "deep targeting" requirement of no less than 25 percent of funds used to provide housing for households whose income do not exceed 50 percent of area median income; investment in neighborhoods that had the most need to be reconnected and revitalized with the economy, housing market, and social networks of the community and metropolitan area based on the data included in the recently developed for the 2010 Action Plan. The areas were then determined by geographical clusters and scores averaged. For instance, analysis shows that our selected target area has had consistently high-unemployment and a declining level of home-ownership, suggesting that traditional direct-homeownership strategies would need to be augmented with incremental approaches such as lease-purchase in coordination with development subsidies. In addition, our target area was chosen on its strategic placement at the confluence of I-635 and North 18th Street which directs nearly 100,000 vehicles by the area daily according to a 2008 Mid-America Regional Council study. The strong need for stabilization as well as direct access to possible NSP3 recipients made our choice one of meeting need and ability to market effectively. The following area was determined to be the area of greatest need and represented the best opportunity for effective redevelopment: Area surrounding the geography of 22nd Street, west to 27th Street, and Quindaro Avenue, north to Lathrop, south to Hickam Drive.

**The UG will not use a tiered approach to distribute funds. Activities will be implemented in the identified neighborhood(s) as activity expenditures are determined appropriate during the 3 year time period. The UG's 2010 Consolidated plan may be viewed at the following website: www.wycokck.org*

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	The Unified Government will comply with the state of Kansas statutory definition of <i>blighted structure</i> at K.S.A. 12-1770a.
Affordable Rents	<p>Per 24 CFR <u>Part 92.252</u>, HUD provides the following maximum HOME rent limits. The maximum HOME rents are the lesser of:</p> <ol style="list-style-type: none"> 1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or 2. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

Descriptions

Term	Definition
Long-Term Affordability	<p>In order to comply with HUD requirements on achieving long-term affordability of NSP3 properties after acquisition/rehab or redevelopment, the Unified Government will comply with the standards for affordability as set forth in 24 CFR Section 92.254:</p> <p>Affordability periods=</p> <ul style="list-style-type: none"> • <\$15,000 in homeowner subsidy = 5 years • \$15,000-\$40,000 = 10 years • >\$40,000 = 15 years <p>The Unified Government imposes the recapture requirement to ensure affordability. The recapture provisions will require that all or a portion of the NSP3 assistance to the buyer, if the property subsequently becomes NSP3 ineligible; be returned to the Unified Government in order to assist in the development of further NSP3 units. The Unified Government will seek to recapture all subsidy incurred if a property reverts to an ineligible status within the affordability period. Acceptable recapture options include: (a) recapture of the entire amount of assistance at sale, (b) reduction of the subsidy pro rata, per years of eligible ownership during the affordability</p>

	period, or (c) shared net proceeds.
Housing Rehabilitation Standards	All new development properties and rehabs, to the greatest extent feasible, will incorporate EnergyStar tm features and compliance. The UG recognizes that ongoing affordability is not only a function of the initial homebuyer experience, but of the ongoing maintenance and recurring costs of ownership. Therefore, it is our policy that each redevelopment meets the EPA EnergyStar tm five-star ratings that enables a 20-30 percent reduction in heating and cooling costs over 2004 International Residential Building Code (IRBC) standards, which will create a more affordable cost of home-ownership ¹ . We will continue to use our rigorous home construction standards in place for CDBG, HOME and other federal and state housing programs. The UG has adopted the EnergyStar tm 3 standard for all mechanical construction and will continue to follow the 2003 International Residential Building Code as well as HUD's "Single-Family Housing Rehabilitation Specifications, including Green Specs" in all vertical construction and development projects.

4. 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 = \$284,449.00

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

Response:

The Unified Government will meet the low-income set-aside target by placing an amount of \$284,449.00 in reserve until an eligible 50 percent Area Median Income applicant is found through our marketing and underwriting process. We foresee this amount as being expended through the set-aside of 2 redevelopment units that will use integral energy –efficiency standards and buyer-assistance at closing to ensure both the initial affordability of purchasing a home and the continued cost of maintenance, realized through decreased energy-costs. In addition to expanded homeownership opportunities through the set-aside, the Unified Government may use a lease-purchase option to facilitate the sale of NSP3 homes in hard-to sell markets.

¹ http://www.energystar.gov/ia/business/challenge/learn_more/ResidentialNewConstruction.pdf

5. Acquisition and Relocation

Demolition or Conversion of LIWU Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income)?

NA

If yes, fill in the table below.

Question	Number of Units
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.	NA
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).	NA
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	NA

6. Public Comment

Citizen Participation Plan

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

Response:

The Unified Government placed notice of this proposal in a major Wyandotte County newspaper, *The Echo*, on January 27th, announcing that the Substantial Amendment would be posted on the UG website (www.wycokck.org) on February 7th, and that the public hearing would be conducted February 17th. Public comments were accepted February 7th- February 24th.

Summary of Public Comments Received.

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

7. NSP Information by Activity

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled "Activity Number 4," "Activity Number 5," "Activity Number 6," and "Activity Number 7." If you are unsure how to delete a table, see the instructions above.)

The field labeled "Total Budget for Activity" will populate based on the figures entered in the fields above it.

Consult the NSP3 Program Design Guidebook for guidance on completing the "Performance Measures" component of the activity tables below.

Activity Number 1		
Activity Name	Demolition of Blighted Structures	
Uses	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	24 CFR 570.201(D) Clearance for Blighted Structures	
National Objective	Serves as an area in which at least 51 percent of the residents have incomes at or below 120 percent Area Median Income as defined in the NSP3 Notice.	
Activity Description	<p>Eligible Use D: The properties demolished with these funds will be blighted in accordance with the definitions found in Part C. <i>Definitions and Descriptions</i>. Priority will be given to tax-reverted property owned by the Unified Government.</p> <p>Once a structure is identified and eligibility is determined, the UG will perform all eligible activities related to the following:</p> <ul style="list-style-type: none"> • Demolition including shut-off of utilities and hazardous materials. • Clearance, removal and disposition of materials from the site, and • Site restoration <p>This activity will address local market housing needs by demolishing blighted structures in order to create an effective area for new housing redevelopment in accordance with Eligible Use- E.</p> <p>The UG already utilizes a competitive procurement process for demolition activities that includes provision for expanded opportunities to L/W/M/DBE in the bidding process. Vicinity contractors shall receive priority consideration when they are able to meet the same requirements for federal contracts as market rate contractors. In addition, the UG will emphasize adherence to HUD's Section 3 hiring guidelines as referenced at 24 CFR 135.</p>	
Location Description	Assigned Target Area as defined in Section2 , and Attachment A.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$18,400
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$18,400	
Performance Measures	Demolish and site repair of 2 eligible lots.	
Projected Start Date	May, 2011	
Projected End Date	May, 2014	
Responsible Organization	Name	Unified Government of Wyandotte County/Kansas City, Kansas
	Location	701 N. 7th St., Rm. 823, Kansas City, Kansas 66101
	Administrator Contact Info	Wilba J. Miller, 913-573-5100 wmiller@wycokck.org

Unified Government of Wyandotte County/Kansas City, Kansas: NSP3 Action Plan -Substantial Amendment

Activity Number 2	
Activity Name	Redevelopment
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> 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. (n) Direct homeownership assistance 24 CFR 570.202 Eligible rehab and preservation activities for demolished and vacant properties. 24 CFR 570.204 Community based development organizations. HUD acknowledges that any of the listed activities above may include 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	Benefit for low, moderate and middle income persons as defined in the NSP3 Notice (Docket No. FR-5447-N-01)
Activity Description	Eligible Use E: 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 not 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. 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. Activities under this section may include acquisition for blighted structures, demolition and redevelopment costs of creating homeownership units. The

	<p>Unified Government may offer a deferred soft second mortgage up to 40% of the subsidy- to eligible homebuyers who are 120% AMI and below. While there are increasing numbers of available foreclosed properties in the proposed target area, there are significant historical barriers to stabilizing housing values through traditional direct-purchase mechanisms. One such barrier is the destabilizing effect of increased foreclosure density on local rental rates. Rent rates rise when people lose their homes, due to a shift in owners to renters in the short-term. It is the Unified Government's assertion that we can help alleviate this phenomenon by creating an affordable alternative in the interim: low-cost, lease-purchase in conjunction with redevelopment of vacant lots and tax-reverted properties. Our program design will achieve its goal by using value-engineering in the construction process, use of affordability subsidies, targeted lease-purchase periods based on applicants credit and percentage of area median income and integration of down-payment growth as a percentage of monthly rental rate based on HOME affordability periods. See <i>Section 3: Definitions and Descriptions</i>.</p> <p>Range of Interest Rates:</p> <ul style="list-style-type: none"> • No interest will be applied to these funds <p>Duration or term of assistance:</p> <ul style="list-style-type: none"> • The duration of the assistance will be regulated by HOME <p>Affordability Requirements outlined in <i>Section 3: Definitions and Descriptions</i></p> <p>Tenure:</p> <ul style="list-style-type: none"> • Homeownership/Rental (Lease-Purchase) <p>Expected Benefit:</p> <ul style="list-style-type: none"> • Refer to Performance Measures <p>Continued Affordability:</p> <ul style="list-style-type: none"> • The term of the affordability will be regulated by HOME, 24 CFR Section 92.252, and 92.254 <p>Affordability Requirements and applicable Rental requirements are determined by the amount of NSP 3 funds assisting the unit outlined in <i>Section 3: Definitions and Descriptions</i>.</p> <p>Vicinity Hiring/Section 3: The UG already utilizes a competitive procurement process for development activities that includes provision for expanded opportunities to L/W/M/DBE in the bidding process. Vicinity contractors shall receive priority consideration when they are able to meet the same requirements for federal contracts as market rate contractors. In addition, the Unified Government will emphasize adherence to HUD's Section 3 hiring guidelines as referenced at 24 CFR 135.</p> <p>The Unified Government will use staff that has skills gained from NSP 1, to undertake new construction activities in NSP 3. In coordination with key program consultants, such as housing organizations, in the work write-up and</p>
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	<p>construction management phases, the Unified Government will assess the target area for strategically placed foreclosed and abandoned/vacant lots that will create a substantial reduction in housing decline and create a sustained visual impact.</p> <p>Since there is an abundance of rental properties in the target area, resources may not be used for rental properties. A recent survey of the Wyandotte County area revealed a need for single-family housing over apartment/rentals, 66 percent to 33 percent. The general area is described in the recent Consolidated Plan as having the lowest owner-occupied housing rate in the City (42.3 %). While the Unified Governments goal is to maintain no less than 62% owner-occupancy rate, we may have to use an interim process that incorporates lease-purchase options to overcome the credit barriers and low-level of economic wealth facing residents of the target area. However, it is expected that with NSP3, NSP1 and other CDBG resources that are currently being applied to the vicinity that applicants will be drawn from other than the current residents.</p> <p>Pre-Purchase Counseling: The Unified Government will require that applicants complete 8 hours of homebuyer counseling from an approved HUD counseling agency before obtaining a mortgage loan.</p>	
Location Description	Assigned Target Area as defined in Section2 , and Attachment A.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$887,218
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity		\$878,218
Performance Measures	<p>Redevelop 7 vacant or demolished properties in accordance with Eligible Use E. As stated under Activity 1, 2 units will be set aside for applicants <50% AMI.</p>	
	<p>Use of lease-purchase option to meet low-income set-aside (<50% AMI)</p>	
	<p>All other units will be sold to eligible applicants that have incomes less than 120% AMI.</p>	
Projected Start Date	May, 2011	
Projected End Date	May, 2014	
Responsible Organization	Name	Unified Government of Wyandotte County/Kansas City, Kansas
	Location	701 N. 7th St., Rm. 823, Kansas City, Kansas 66101
	Administrator Contact Info	Wilba J. Miller, 913-573-5100 wmiller@wycokck.org

Activity Number 3											
Activity Name	Acquisition of Vacant and Foreclosed Properties										
Use	<p>Select all that apply:</p> <table border="1"> <tr> <td><input type="checkbox"/></td> <td>Eligible Use A: Financing Mechanisms</td> </tr> <tr> <td><input checked="" type="checkbox"/></td> <td>Eligible Use B: Acquisition and Rehabilitation</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use C: Land Banking</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use D: Demolition</td> </tr> <tr> <td><input type="checkbox"/></td> <td>Eligible Use E: Redevelopment</td> </tr> </table>	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation	<input type="checkbox"/>	Eligible Use C: Land Banking	<input type="checkbox"/>	Eligible Use D: Demolition	<input type="checkbox"/>	Eligible Use E: Redevelopment
<input type="checkbox"/>	Eligible Use A: Financing Mechanisms										
<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation										
<input type="checkbox"/>	Eligible Use C: Land Banking										
<input type="checkbox"/>	Eligible Use D: Demolition										
<input type="checkbox"/>	Eligible Use E: Redevelopment										
CDBG Activity or Activities	<p>24 CFR 570.201(a) Acquisition (b) Disposition, (i) Relocation, and (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 listed above may include required homebuyer counseling as an activity delivery cost</p>										
National Objective	Benefit for low, moderate and middle income persons as defined in the NSP3 Notice (Docket No. FR-5447-N-01)										
Activity Description	<p>Activities include acquisition, disposition, relocation, assistance, and rehabilitation. Rehab may be for housing only; non-residential uses, commercial uses, parks or mixed residential uses are not permitted. 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.</p> <p>Activities under this section may include acquisition for blighted structures, disposition of blighted structures and relocation of affected persons, in accordance with HUD guidelines on rehabilitation activities used to create substantially renovated units. AMI. The Unified Government will utilize a deferred soft second mortgage, up to 40% of the subsidy level, to eligible homebuyers who are 120% AMI and below. While there are increasing numbers of available foreclosed properties in the proposed target area, there are significant historical barriers to stabilizing housing values through traditional direct-purchase mechanisms. One such barrier is the destabilizing effect of increased foreclosure density on local rental rates. Rent rates rise when people lose their homes, due to a shift in owners to renters in the short-term. It is the Unified Government's assertion that we can help alleviate this phenomenon by creating an affordable alternative in the interim: low-cost, lease-purchase in conjunction with rehabilitation of blighted and/or tax-reverted properties. Our program design will achieve its goal by using value-engineering in the construction process, use of affordability subsidies, targeted lease-purchase periods based on applicants credit and percentage of area median income and integration of down-payment growth as a percentage of monthly rental rate based on HOME affordability periods. See <i>Section 3: Definitions and Descriptions</i>.</p>										

	<p>Range of Interest Rates:</p> <ul style="list-style-type: none"> No interest will be applied to these funds <p>Duration or term of assistance:</p> <ul style="list-style-type: none"> The duration of the assistance will be regulated by HOME Affordability Requirements outlined in <i>Section 3: Definitions and Descriptions</i> <p>Tenure:</p> <ul style="list-style-type: none"> Homeownership/Rental (Lease-Purchase) <p>Expected Benefit:</p> <ul style="list-style-type: none"> Refer to Performance Measures <p>Continued Affordability:</p> <ul style="list-style-type: none"> The term of the affordability will be regulated by HOME, 24 CFR Section 92.252, and 92.254 <p>Affordability Requirements and applicable Rental requirements are determined by the amount of NSP 3 funds assisting the unit outlined in <i>Section 3: Definitions and Descriptions</i>.</p> <p>Vicinity Hiring/Section 3: The UG already utilizes a competitive procurement process for development activities that includes provision for expanded opportunities to L/W/M/DBE in the bidding process. Vicinity contractors shall receive priority consideration when they are able to meet the same requirements for federal contracts as market rate contractors. In addition, the Unified Government will emphasize adherence to HUD's Section 3 hiring guidelines as referenced at 24 CFR 135.</p> <p>The Unified Government will use staff that has skills gained from NSP 1 to undertake new construction activities in NSP 3. In coordination with key program consultants, such as housing organizations, in the work write-up and construction management phases, the Unified Government will assess the target area for strategically placed foreclosed and abandoned/vacant lots that will create a substantial reduction in housing decline and create a sustained visual impact.</p> <p>Since there is an abundance of rental properties in the target area, resources may not be used for rental properties explicitly. A recent survey of the Wyandotte County area revealed a need for single-family housing over apartment/rentals, 66 percent to 33 percent. In addition, the general area is described in the recent Consolidated Plan as having the lowest owner-occupied housing rate in the City (42.3 %). While the Unified Governments goal is to maintain no less than 62% owner-occupancy rate, we may have to use an interim process that incorporates lease-purchase options to overcome the credit barriers and low-level of economic wealth facing residents of the target area. However, it is expected that with NSP3, NSP1 and other CDBG resources that are currently being applied to the vicinity, which applicants will</p>
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	<p>be drawn from other than the current residents.</p> <p>Pre-Purchase Counseling: The Unified Government will require that applicants complete 8 hours of homebuyer counseling from an approved HUD counseling agency before obtaining a mortgage loan.</p>	
Location Description	Assigned Target Area as defined in Section2 , and Attachment A.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$127,400
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity		\$127,400
Performance Measures	Acquire 1 Vacant or Foreclosed structure and perform substantial rehabilitation in accordance with rehab standards in Section 3: Standards and Definitions.	
Projected Start Date	May 2011	
Projected End Date	May 2014	
Responsible Organization	Name	Unified Government of Wyandotte County/Kansas City, Kansas
	Location	701 N. 7th St., Rm. 823, Kansas City, Kansas 66101
	Administrator Contact Info	Wilba J. Miller, 913-573-5100 wmiller@wycokck.org

Activity Number 4		
Activity Name	Program Administration	
Use	Select all that apply:	
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input type="checkbox"/> Eligible Use D: Demolition	
	<input type="checkbox"/> 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	<p>The UG will reserve 10% administrative funds, which includes pre-award activities as allowed under 24 CFR 570.200(h), training and technical assistance, and environmental reviews.</p>	
Location Description	Unified Government Community Development Department	
Budget	Source of Funding	Dollar Amount
	NSP3	\$113,779

Unified Government of Wyandotte County/Kansas City, Kansas: NSP3 Action Plan -Substantial Amendment

	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity		\$113,779
Performance Measures	NA	
Projected Start Date	May,2011	
Projected End Date	May,2014	
Responsible Organization	Name	Unified Government of Wyandotte County/Kansas City, Kansas
	Location	701 N. 7th St., Rm. 823, Kansas City, Kansas 66101
	Administrator Contact Info	Wilba J. Miller, 913-573-5100 wmiller@wycokck.org

Certifications (See Attachment D)

Attachment A: Target Area Map



Neighborhood Stabilization Program Grants

The Neighborhood Stabilization Program (NSP) provides grants to address the problems associated with homes that have been foreclosed upon and are creating economic problems for their communities.

Enter an Address, city or state

Select a State Select a County

Map Options:

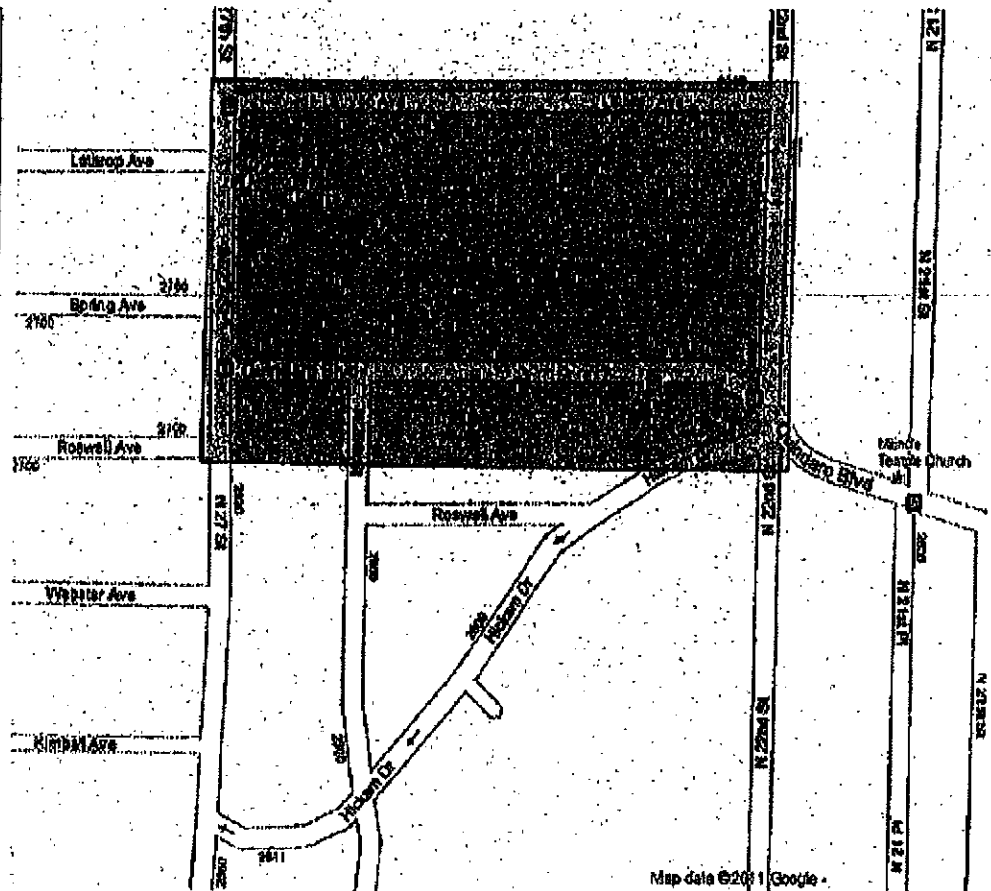
Click Mode:

NSP3 Legend (V): ☐ Tract Outline

[Click here for an Overview](#)

NSP3 Options
 17 Current Zoom Level
☐ Show Tract Outline (Zoom 11+)

The NSP3 mapping tool now provides a summary NSP3 score for all projects drawn. Click on "View Projects", which will list all of the projects (target areas) that have data calculated. It shows the NSP3 score for each target area along with the total estimated housing units in that area. At the bottom of the list is a sum of all housing units in all target areas and the NSP3 score for all target areas drawn. Grantees are advised to know their state minimum and if the summary score is less than the state minimum the grantee should delete, add, or revise target areas. Note that if you delete or add, the tool only recalculates after you close the "View Projects" box and reopen it. HUD also advises grantees to think carefully about the size of their target areas in total. If those target areas have a very large number of total housing units relative to the dollars available, HUD will likely ask that the grantee reduce the number and/or size of their target areas.



Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 12

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 61.7

Percent of Housing Units 90 or more days delinquent or in foreclosure: 10%

Number of Foreclosure Starts in past year: 12

Number of Housing Units Real Estate Owned July 2009 to June 2010: 11

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 10

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -5.8

Place (if place over 20,000) or county unemployment rate June 2005: 9

Place (if place over 20,000) or county unemployment rate June 2010: 9.4

Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-94.659190 39.141711 -94.654770 39.141711 -94.654813 39.139514 -94.659233 39.139564

Attachment B: Public Comment

During the February 17, 2011 Commission Meeting, Mr. Chester Owens, a citizen, made the following comments:

- Will the UG put the slideshow (NSP3 presentation on 2/17/11) on the website?
- Could he have a copy of maps (that were included in the slideshow)?
- He will be following (monitoring) the vicinity hiring closely. He also asked if there would be more occasions during the process for the neighborhood's comments.

Response by Wilba Miller, Department of Community Development, Director:

- The slideshow will be placed on the UG website with the maps included.
- CD will notify the neighborhood group/residents of our plans and could include them in any notices-including the RFQ's, hiring, etc. However, no plans will be finalized until we receive approval of our target area.

Attachment C: Program Budget

Eligible Activity D: Demolition

- 2 units @ \$9200= \$18,400

Eligible Activity E: Redevelopment

- 2 units @\$150,000= \$300,000
- 4 units @\$144,554.50=\$578,218

Eligible Activity B: Acquisition and Rehab

- Acquisition- 1 unit @ \$43,500= \$43,500
- Rehabilitation- 1 unit @ \$83,900= \$83,900

Eligible Activity PA: Program Administration (10%)

- .10 x \$1,137,797= \$113,779

Grant Total: \$1,137,797

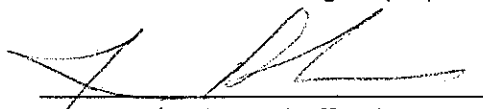
ATTACHMENT D (Certifications)

Certifications

Certifications for State and Entitlement Communities

- (1) **Affirmatively further 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 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.



Signature/Authorized Official

2/25/11

Date

Mayor/Chief Executive Officer
Title