

**Neighborhood Stabilization Program 3
Substantial Amendment to HUD from the State of Delaware
March 1, 2011**

1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information

Name (Last, First)	Cooper, Amber
Email Address	Amber@destatehousing.com
Phone Number	302-739-0209
Mailing Address	18 The Green Dover, DE 19901

2. Areas of Greatest Need

Map Submission

A map generated by DSHA of the census tracts rating at 13 or above on the HUD NSP3 Mapping Tool for Preparing Action Plan is included as an attachment. DSHA wishes to include all census tracts rating 13 or higher as target areas at this time.

The **data** generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is 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:

DSHA used the HUD mapping tool to identify census tracts with a score of 13 or higher and would like to use all of the identified census tracts for our program. We feel it is important to include all areas to ensure that areas projected to be in greatest need are targeted, to maintain some choice of homes in neighborhoods throughout the State and to ensure that the funds can be used in a timely way. Most the areas selected are in high-need neighborhoods in New Castle County and in Wilmington, with additional smaller target areas in Kent and Sussex Counties. In addition to the mapping tool, we used 2009 Policy Map data to identify the number of sales and median sales prices in neighborhoods with a need score of 13 or above. Given that home sales numbers have been static for the State since 2008, we assumed that data for sales may be similar moving forward. Policy Map data for 2009 indicated 1,655 sales in these 36 census tracts. It is unlikely that most sales were foreclosure sales, so if we assume a fairly high foreclosure rate of 12% , about 200 of these homes may have been foreclosed upon homes and 20% of these to make an impact would only be around 40 homes, over a three year period DSHA would likely address more than 20% of the foreclosed homes in these census tracts with our downpayment and closing cost assistance. DSHA plans to use our NSP3 funds to move approximately 145 homes from foreclosure to either homeownership or affordable rental. However, to ensure that we have enough foreclosed homes available to the program DSHA needs to establish multiple and fairly large target areas. While the foreclosure crisis continues to hit Delaware hard with 1,876 Sheriff sales in 2010 compared to 1,209 in 2008 and 6,457 foreclosure filings in 2010 compared to 4,488 in 2008, the

problem appears to be scattered. With NSP1 and NSP2 still active in targeted Wilmington neighborhoods and areas around New Castle that have the most concentrated foreclosure statistics, it appeared prudent to include all the areas identified as having needs of 13 or above.

DSHA looked at acquisitions and sales of NSP1 homes to determine the level of activity that could be expected. In some areas, NSP1 and NSP2 will be active at the same time as NSP3. The three programs together will be able to make a bigger impact than any one of them alone; however, the competition between the programs for properties may also make larger target areas an important element for our success. We are requesting census tract level target areas.

From North to South our target areas are as follows:

Census Tract	Locality	County	Need Score
154.00	New Castle	New Castle	18
156.00	New Castle	New Castle	18
158.00	New Castle	New Castle	17
160.00	New Castle	New Castle	17
155.00	New Castle	New Castle	16
149.03	Bear	New Castle	15
150.00	New Castle	New Castle	15
152.00	New Castle	New Castle	15
159.00	New Castle	New Castle	15
149.05	Bear	New Castle	14
103.00	Claymont	New Castle	13
139.01	Brookside	New Castle	13
141.00	Brookside	New Castle	13
147.03	Brookside	New Castle	13
148.08	Glasgow	New Castle	13
163.02	Bear	New Castle	13

Wilmington

Census Tract	Locality	County	Need Score
7.00	Wilmington	New Castle	19
8.00	Wilmington	New Castle	18
3.00	Wilmington	New Castle	17
5.00	Wilmington	New Castle	17
6.01	Wilmington	New Castle	17
21.00	Wilmington	New Castle	17
6.02	Wilmington	New Castle	16
17.00	Wilmington	New Castle	16
22.00	Wilmington	New Castle	16
27.00	Wilmington	New Castle	16
23.00	Wilmington	New Castle	15
9.00	Wilmington	New Castle	14
16.00	Wilmington	New Castle	14
26.00	Wilmington	New Castle	14
15.00	Wilmington	New Castle	13

Kent

Census Tract	Locality	County	Need Score
408.00	Dover	Kent	13
414.00	Dover	Kent	13
430.00	Harrington	Kent	13

Sussex

Census Tract	Locality	County	Need Score
502.00	Ellendale	Sussex	14
518.02	Laurel	Sussex	14

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:

DSHA is establishing two tiers of neighborhood areas of critical need to correspond with the census tracts that have been identified by the HUD user mapping tool as ranking 13 or above. DSHA has identified 36 census tracts. Within a few of these census tracts, are areas of critical need with

neighborhoods that have serious challenges for which DSHA will work with other area efforts to market and create incentives for homeownership in these neighborhoods.

Areas of critical need include central Wilmington neighborhoods, East Side Wilmington neighborhoods, Brookside, Brookmont Farms, central Dover. We hope to work with NSP efforts already underway to add more affordable homeownership to these communities.

Those neighborhoods designated as areas of critical need generally have lower homeownership rates and lower market values than the more general areas of greatest need. To determine areas of critical need, DSHA reviewed 2009 sales data, as well as looked at areas that have other efforts targeted to increase homeownership and efforts directed toward improving the quality of the neighborhood.

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	Delaware has a definition of blighted communities, but not for blighted structures, therefore the NSP definition of blighted structure will be applied: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. Further, DSHA considers a structure to be blighted if it does not meet the State of Delaware Housing Code or the local building code for each subgrantee.
Affordable Rents	For any NSP-funded rental activity, affordable rents are defined as 30 percent of the household’s monthly gross income, less utility allowances. Total monthly costs (rent plus tenant-paid utilities) cannot exceed 30 percent of the HUD AMI for the appropriate County, household size, bedroom size, and target income group. DSHA annually prepares and updates Utility Allowance Charts for Kent and Sussex Counties that show the applicable utility allowance for each tenant-provided utility. New Castle County prepares a similar chart for New Castle County utility allowances.

Descriptions

Term	Definition
Long-Term Affordability	DSHA will ensure that the Long-Term Affordability provisions for NSP3 funds are at least as rigorous as the HOME requirements for deferred second mortgage loans for downpayments and closing costs. The prorated amount of NSP3 funds in the form of second mortgage loans used for downpayments and closing costs are subject to recapture when the initially-assisted homebuyer sells, rents or refinances the NSP3-assisted property within the recapture period set forth in the following chart:

	<table border="1"> <thead> <tr> <th data-bbox="477 226 938 262"><u>Amount of NSP3 Funds</u></th> <th data-bbox="938 226 1468 262"><u>Recapture period</u></th> </tr> </thead> <tbody> <tr> <td data-bbox="477 296 938 331">Less than \$15,000</td> <td data-bbox="938 296 1468 331">5 Years</td> </tr> <tr> <td data-bbox="477 365 938 401">\$15,000 to \$40,000</td> <td data-bbox="938 365 1468 401">10 Years</td> </tr> <tr> <td data-bbox="477 434 938 470">Over \$40,000</td> <td data-bbox="938 434 1468 470">15 Years</td> </tr> </tbody> </table> <p data-bbox="477 512 1468 688">NSP3 mortgage loans shall be forgiven after expiration of the loan recapture period and/or period of affordability. If the NSP3-assisted property is sold, rented or refinanced during the recapture period, the amount of the repayment required shall be prorated by the number of full years the original NSP3-assisted owner occupied the property.</p> <p data-bbox="477 722 1468 974">Where the net proceeds from a sale (the sales price less mortgage loan repayment and closing costs) are greater than the prorated balance due under the NSP3 mortgage loan, the balance of the NSP3 prorated mortgage loan shall be repaid to DSHA. However, where the net proceeds are less than the NSP3 mortgage loan, the amount of the all net proceeds shall be repaid to DSHA to repay a portion of the NSP3 Loan. All repaid NSP3 mortgage funds shall be used to support other NSP-eligible activities.</p> <p data-bbox="477 1008 1468 1079">These recapture provisions shall be included in the note and mortgage evidencing and securing the NSP3-funded second mortgage loan.</p> <p data-bbox="477 1113 1468 1365">In an effort to increase the stock of permanently-affordable homes in Delaware, DSHA is exploring assisting moderate- and low-income families wishing to purchase foreclosed homes in more stable neighborhoods, within target areas, to do so with retention agreements that will provide long-term affordability. In addition, DSHA will consider working with CLT buyers needing more than \$20,000 in assistance, but not more than \$60,000 in assistance, to purchase homes using NSP3 funds.</p>	<u>Amount of NSP3 Funds</u>	<u>Recapture period</u>	Less than \$15,000	5 Years	\$15,000 to \$40,000	10 Years	Over \$40,000	15 Years
<u>Amount of NSP3 Funds</u>	<u>Recapture period</u>								
Less than \$15,000	5 Years								
\$15,000 to \$40,000	10 Years								
Over \$40,000	15 Years								
<p data-bbox="188 1438 360 1543">Housing Rehabilitation Standards</p>	<p data-bbox="477 1438 1468 1690">DSHA will provide financing opportunities for those qualified home buyers to utilize the Federal Housing Administration (FHA) 203(k) acquisition rehabilitation loan product. These home buyers will work with their originating lender to abide by FHA 203(k) rehab standards. However, all rehabilitation of foreclosed -upon homes or residential properties that receive NSP3 financing will be rehabilitated to the extent necessary to comply with applicable laws, codes and other requirements relating to housing safety, quality and habitability.</p> <p data-bbox="477 1724 1468 1833">According to NSP3 requirements, DSHA is requiring that:</p> <ul data-bbox="529 1757 1468 1833" style="list-style-type: none"> <li data-bbox="529 1757 1468 1833">• Any rehabilitation for multi-family housing will comply with all regulations related to physical accessibility standards for persons with disabilities. 								

	<p>See 24 CFR part 8; 24 CFR 100.205. Also see 24 CFR 570.487 and 24 CFR 570.602.</p> <ul style="list-style-type: none"> • All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes. • Although no gut rehabilitation of mid-or high-rise multifamily housing is expected, all gut rehabilitation or new construction of mid- or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy). • Other rehabilitation will meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-labeled products. Water-efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed. • Where relevant, the housing will be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires). <p>In addition, DSHA will encourage NSP-Recommended Energy Efficient and Environmentally-Friendly Green Elements from Attachment C, whenever possible.</p>
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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 = **\$1,250,000.00**

Meeting Low-Income Target

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

Response:

To address the NSP requirement that at least 25% of the funds assist households with incomes at 50% AMI or less, we propose a set-aside of 25% of funds to be used by nonprofit organizations serving

special needs populations to purchase homes and rehabilitate them, if necessary.

- Homes will be for low-income rental housing
- Maximum cost of \$250,000 investment per house
- Expect to complete at least five homes and provide housing to at least 15 people at a time once completed

DSHA will solicit proposals in June 2011 seeking applications that will provide affordable rental housing to special needs populations. Proposals will be ranked on the following criteria:

- Experience and capacity applicant to develop and manage special needs housing
- Other resources leveraged by NSP funding
- Location of anticipated housing (close to transportation and other resources, not in an area highly impacted with other housing for very low-income people)
- Energy saving and sustainable elements proposed
- Level of independence and level of support provided to residents
- Cost effectiveness of the proposal

5. 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)?	NO
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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.	Not Applicable
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).	Not Applicable
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	Not Applicable

6. Public Comment

Citizen Participation Plan

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

DSHA's Citizen Participation Plan requires a 30-day public comment period for all amendments. However, DSHA has elected, in accordance with the NSP3 alternative requirements (to 42 U.S.C. 5304(a)(2) and waiving 24 CFR 91.105(c)(2), 91.105(k), 91.115(c)(2), and 91.115(i)), to provide no fewer than 15 calendar days for citizen comment (rather than 30 days) for its initial NSP submission and any

subsequent substantial NSP action plan amendment. DSHA posted a slide presentation showing the proposed NSP3 project on the DSHA website at www.destatehousing.com/homeownership on 2/10/11. On 2/11/11, DSHA posted the draft amendment to HUD on DSHA's website, as well as made copies available in the Wilmington and Dover offices. DSHA sent out a DSHA highlight message to over 3,000 people on 2/11/11 notifying them that the NSP3 amendment was available for public comment on the DSHA website. In addition, in accordance with DSHA's Public Participation Plan notification, an amendment was provided through legal notices in two major newspapers on 2/11/11, announcing the 15-day comment period. DSHA is providing all comments received, as well as our response as an attachment to this amendment.

Summary of Public Comments Received.

The summary of public comments received is included as an attachment.

7. NSP Information by Activity

Activity Number 1-A	
Activity Name	Buyer Driven Financing
Uses	Select all that apply: <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	Homeownership Assistance /Section105 (24)(a) and Housing Services
National Objective	Low Moderate Middle Income Housing (LMMH) and
Activity Description	<p>DSHA has elected to take direct State action and plans to use NSP along with our first-time homebuyer bond programs and FHA 203(k) product to provide downpayment and closing cost assistance to low- and moderate-income homebuyers, purchasing foreclosed homes in targeted areas. While NSP1 & NSP2 were supply driven programs, NSP3 will address the demand side of the market.</p> <p>This will be a buyer-driven program, as DSHA provides financial resources to make available homeownership opportunities. Buyers will be given a high level of assistance from Housing Counselors, FHA consultants, lenders, and DSHA staff to ensure compliance with NSP regulations. DSHA's experience with prior NSP programs has found that more than 80% of the buyers have been first-time homebuyers. DSHA's first-time homebuyer program has a current 30-year fixed rate loan for 4.125% with 0-points. DSHA plans to provide up to \$20,000 in assistance to buyers using the first-time buyer bond program without the FHA 203K program which is expected to comprise about 70% of the NSP program. We expect to assist over 100 buyers with down payment and closing cost assistance under this program. DSHA is considering pairing higher levels of NSP assistance, up to \$60,000 per home, for homes</p>

	<p>that will become permanently affordable through a CLT model or other retention agreements.</p> <p>DSHA has recently introduced a FHA 203K loan product that provides a loan for purchase and rehabilitation with a 30-year fixed term. In an effort to promote opportunities for homeownership with housing stock that may need repair, DSHA released this product with a special interest rate of 3.49% with a 1% origination fee. This set-aside has the lowest mortgage rate in agency history. DSHA plans to provide up to \$40,000 in assistance to buyers using the 203K program, which is expected to comprise about 30% of the NSP program. DSHA plans to assist over 40 buyers with down payment and closing cost assistance under this program.</p> <p>DSHA is especially excited to be able to offer the 203K loans in combination with the NSP3 financing assistance. Many of the targeted neighborhoods have homes that are more than 30 years old and in need of rehabilitation. In the City of Wilmington, many homes are 50 to 100 years old and in need of significant rehabilitation. The 203K loan product in combination with the NSP financing will allow homebuyers to bring these homes up to modern standards, including energy improvements that will make these homes more sustainable for low- and moderate-income families.</p> <p>Combining these products and additional downpayment and closing cost assistance, DSHA strives to increase affordability of homes for low- and moderate-income buyers and increase homeownership in targeted areas. DSHA will monitor the assistance amounts with each program and may adjust the maximum amounts of closing cost and down payment assistance provided to ensure that the program is efficiently utilized by buyers in the targeted income range.</p>	
Location Description	All identified areas of greatest need	
Budget	Source of Funding	Dollar Amount
	NSP3	\$3,400,000.00
	Mortgage Loan funds (avg. = \$100,000 x 145 loans)	\$14,500,000
	(Other funding source)	\$
Total Budget for Activity	\$17,900,000.00	
Performance Measures	<p>To reoccupy at least 145 qualified homes Of the 145, to enhance affordability for at least 45 households at 80% of AMI or less To Increase homeownership in neighborhoods identified as having critical needs.</p>	
Projected Start Date	5/15/2011	
Projected End Date	3/15/2014	
Responsible Organization	Name	Delaware State Housing Authority
	Location	18 the Green, Dover, DE 19901

	Administrator Contact Info	(302)739-4263, Amber@destatehousing.com
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Activity Number 1-B									
Activity Name	Low-Income Rental Housing								
Use	Select all that apply: <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	Section 105(a)(4) Clearance, Rehabilitation, Reconstruction and Construction of Buildings including Housing								
National Objective	Low-Income Housing to Meet 25% Set Aside (LH25)								
Activity Description	<p>DSHA intends to conduct a request for proposals process to find nonprofits interested in purchasing and rehabilitating foreclosed properties for the purpose of housing very low-income populations. DSHA will rate the applications based on need of population served, other leveraged resources, including services if supportive housing is proposed, capacity and experience of the applicant(s), sustainability, cost effectiveness, and clarity of proposal including realistic timeline. DSHA will make all applicants aware of Section 3 and encourage a solid plan to hire low-income people from the neighborhoods served as well as encourage the use of minority and woman owned businesses. DSHA will enter into a contract with selected nonprofits and will work with them to identify suitable homes which will be purchased and rehabilitated by the nonprofit to meet the needs of the target population. DSHA will set-aside \$1,250,000 for this housing and expects to develop at least five homes that will serve people with incomes at or below 50% of AMI.</p> <p>DSHA intends to include criterion in the RFP that will encourage more units than five units to be completed, but will complete a minimum of five units.</p>								
Location Description	All areas designated as area of greatest need except Central Wilmington, which already has a number of housing opportunities for people with extremely low incomes and special needs.								
Budget	<table border="1"> <thead> <tr> <th>Source of Funding</th> <th>Dollar Amount</th> </tr> </thead> <tbody> <tr> <td>NSP3</td> <td>\$ 1,250,000.00</td> </tr> <tr> <td>(Other funding source)</td> <td>\$</td> </tr> <tr> <td>(Other funding source)</td> <td>\$</td> </tr> </tbody> </table>	Source of Funding	Dollar Amount	NSP3	\$ 1,250,000.00	(Other funding source)	\$	(Other funding source)	\$
Source of Funding	Dollar Amount								
NSP3	\$ 1,250,000.00								
(Other funding source)	\$								
(Other funding source)	\$								
Total Budget for Activity	\$ 1,250,000.00								
Performance Measures	<p>To develop at least 5 units of affordable rental housing for people at 50% of AMI and under.</p> <p>At least 3 units of the 5 will be for permanent supportive housing for people with special needs and income at 50% of AMI or less.</p>								

Projected Start Date	5/15/2011	
Projected End Date	3/15/2014	
Responsible Organization	Name	Delaware State Housing Authority
	Location	18 the Green, Dover, DE 19901
	Administrator Contact Info	(302)739-4263, Amber@destatehousing.com

8. 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 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

Date

Title