

**PLANNING AND DEVELOPMENT MEMORANDUM**  
**#09-11**

April 9, 2009

**TO:** Honorable Mayor Kathleen M. Novak and City Council Members

**FROM:** William Simmons, City Manager *WMS*  
James Hayes, Director, Planning and Development Department *JH*

**SUBJECT:** CR-47 - Housing and Economic Recovery Act (HERA) and the Neighborhood Stabilization Program (NSP) Intergovernmental Agreement (IGA) with Adams County

**BACKGROUND INFORMATION**

The City of Northglenn and Adams County are operating under an Intergovernmental Agreement (IGA) for Community Development Block Grant (CDBG) funds, which was approved in 2006. Adams County receives direct entitlements (funds) from the Department of Housing and Urban Development (HUD) and distributes them to most of the cities within the County through a series of IGAs. The City of Northglenn typically receives approximately \$200,000 on an annual basis to be allocated for CDBG eligible programs. The use of the funds is recommended by the City Council and approved by Adams County as part of their 5-year Consolidated Plan.

On April 1, 2009, staff met with Adams County staff to brief them on our progress and to discuss project priorities for the HERA funds. Although the Adams County Housing Authority will be implementing the proposed projects, City staff will be involved in the site selection and contractor selection.

On April 2, 2009, staff presented information to the City Council in a study session and requested direction to proceed with a resolution to approve the IGA with Adams County. The City Council generally agreed to consider a resolution at their next regular meeting on April 9, 2009.

**HERA and NSP**

On July 30, 2008, H.R. 3221, also known as the Housing and Economic Recovery Act (HERA) was signed into law. The provisions of the Act are to be administered through HUD. In the 4<sup>th</sup> quarter of 2008, HUD developed rules for all of the entitlement entities to follow and issued them as the Neighborhood Stabilization Program (NSP). Colorado's share is \$53 million with Adams County receiving a direct allocation of \$4.6 million. City staff has been working closely with Adams County to ensure some of these funds are available to the City of Northglenn.

The funds will be used in six primary activities, plus administration:

1. As a financing mechanism to ensure affordability (soft seconds, interest buy downs, loan guarantees, and/or a loan loss reserve) primarily for families buying units that have been rehabilitated through this program;
2. Acquisition/rehabilitation and resale to first time homebuyers;
3. Acquisition/rehabilitation and rental;
4. Acquisition/demolition/redevelopment of units that would cost more to rehabilitate than the purchase price;
5. Demolition of blighted structures;
6. Land Banking; and
7. Administration of the program which will not exceed 10% of the NSP grant and 10% of any program income.

Over the last several months, staff from Adams County and various cities, including Northglenn, have been participating in the development of the plan for submittal to HUD. The NSP Substantial Amendment is attached to this memorandum for reference purposes. Five census tracts in the City of Northglenn have been identified as eligible areas for the use of NSP funds. A map of the Northglenn target areas is included on Page 30 of the Plan. Staff used the Neighborhood Renewal Initiative (NRI) concepts in developing the Northglenn section of the plan. However, as long as the funds are used for any of the six eligible purposes, the City is not restricted to this type of project.

In February, 2009, the Adams County Community Development Department met with the Board of County Commissioners (BoCC) to designate the Adams County Housing Authority (ACHA) as the sub-recipient of the entire \$4.6 million allocation. Staff from Northglenn and Thornton attended the study session to determine the impact on the cities and to voice concerns. Initially, County staff proposed a Memorandum of Understanding between the cities and ACHA, but after the discussion, the BoCC agreed that an IGA between the cities and Adams County would be appropriate. Over the last few weeks, staff has met with the County to finalize the language and to outline the role of the City of Northglenn in determining projects, selecting contractors, and which neighborhoods to focus projects. The result is an IGA which meets the intent of the HUD plan and will direct at least \$279,194.57 of federal housing money directly into the City of Northglenn.

Distribution and use of funds are outlined in the plan and the money should be available by March 20, 2009. The program varies slightly from CDBG funding since it is a direct expenditure by Adams County rather than a City expenditure and reimbursement from the County. \$4.6 million was the initial entitlement to Adams County and the City of Northglenn's share is \$386,577.10. HUD requires at least 25% of the total allocation for Adams County (\$1.15 million) to be used specifically to aid those who have median incomes below 50% of the area median income (AMI). This may have the effect of reducing Northglenn's allocation to

\$279,194.57. The balance of \$107,382.53 may be used in the City, provided the project meets the 50% AMI requirement. In the alternative, Adams County may elect to direct the money to a project in another City or unincorporated area that benefits the entire County and meets the requirement.

Staff is requesting adoption of a formal resolution adopting the IGA with Adams County.

### **GOALS AND OUTCOMES**

1. Clearly define the relationship between the City of Northglenn and Adams County by adoption of an IGA.
2. Utilize HERA/NSP funds to implement one or more of the eligible uses as outlined in the NSP Substantial Amendment in the City of Northglenn.
3. Stabilize selected neighborhoods in the City of Northglenn through the initial 18-month funding period and throughout the life of the 5 year program.

### **BUDGET/TIME IMPLICATIONS**

HUD requires the expenditure of all \$4.6 million within 18 months starting with the date the funds are available, which is planned sometime in March, 2009. At the end of the five-year program, all program income shall be returned to HUD, with the exception of land banking, which has a ten-year repayment schedule. The five-year program started when the legislation was signed on July 30, 2008, and therefore, expires on July 30, 2013. The City will not have any direct expenditures or reimbursements as part of this program since it will be managed and implemented by Adams County and ACHA.

### **STAFF REFERENCE**

If Council members have any comments or questions they may contact James Hayes at [jhayes@northglenn.org](mailto:jhayes@northglenn.org) or at 303-450-8937

### **ATTACHMENTS**

CR-47 - Resolution authorizing the execution of and IGA between Adams County and the City of Northglenn

IGA document approved as to form by Adams County

ACCD NSP Substantial Amendment (HUD Plan)

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S RESOLUTION

RESOLUTION NO.

No. CR-47  
Series of 2009

\_\_\_\_\_  
Series of 2009

A RESOLUTION APPROVING ADDENDUM NO. 1 TO THE INTERGOVERNMENTAL AGREEMENT BETWEEN ADAMS COUNTY AND THE CITY OF NORTHGLENN REGARDING THE DISTRIBUTION OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS AS PART OF TITLE III OF THE 2008 HOUSING AND ECONOMIC RECOVERY ACT (HERA)

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. Addendum No. 1 to the Intergovernmental Agreement between Adams County and the City of Northglenn regarding the distribution of Neighborhood Stabilization Program Funds as part of Title III of the 2008 Housing And Economic Recovery Act (HERA), attached hereto as **Exhibit 1**, is hereby approved and the Mayor is authorized to execute same on behalf of the City.

DATED at Northglenn, Colorado, this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMANN  
City Attorney

**ADDENDUM NO. 1 TO INTERGOVERNMENTAL AGREEMENT BETWEEN ADAMS COUNTY AND THE CITY OF \_\_\_\_\_ REGARDING THE DISTRIBUTION OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS PART OF TITLE III OF THE 2008 HOUSING AND ECONOMIC RECOVERY ACT (HERA)**

THIS ADDENDUM No. 1 is made as of this \_\_ day of \_\_\_\_\_, 2009, by and between the Board of County Commissioners of Adams County (“County”), Colorado, located at 450 S. 4<sup>th</sup> Avenue, Brighton, Colorado, 80601, and the City of \_\_\_\_\_ (“\_\_\_\_\_”), located at \_\_\_\_\_, Colorado, 80601.

WHEREAS, the Parties entered into an Intergovernmental Agreement (“IGA”) dated June 28, 2006 that set forth the terms and conditions of the County’s receipt and distribution of the Community Development Block Grant (CDBG) program in \_\_\_\_\_’s jurisdiction during the term of \_\_\_\_\_; and

WHEREAS, the federal government, on July 30, 2008, passed the Housing and Economic Recovery Act of 2008 (“Act”), to be administered by the U.S. Department of Housing and Urban Development (HUD); and

WHEREAS, the Act created the Neighborhood Stabilization Program (NSP) and funds to assist the County in stabilizing those neighborhoods highly impacted by foreclosures and abandoned properties, and

WHEREAS, HUD will consider any existing cooperation agreements between a local government and an urban county governing FY2008 CDBG funding to automatically cover NSP funding through July 2013; and

WHEREAS, funding from the Act can be earmarked to local governments, though using a different allocation formula than the formula used for allocating CDGB funds; and

WHEREAS, Adams County will enter into a sub-recipient agreement with the Adams County Housing Authority (ACHA) as the managing partner of the NSP funds on behalf of the County; and

WHEREAS, the Adams County Housing Authority, in conjunction with the municipal partners, will identify projects, properties and develop descriptions of work under the Neighborhood Stabilization Program (NSP), that were previously approved by HUD in the Adams County plan; and

WHEREAS, a municipality’s NSP funding allocation is based upon a formula comparing the municipality’s Foreclosure Rate, 90-day Vacancy Rate and Subprime Loan Rate with the entitlement as a whole; and

WHEREAS, the County must restrict 25% of the total NSP allocation to benefit households at or below 50% of the Area Median Income (AMI).

NOW, THEREFORE, for consideration set forth herein, the Parties agree as follows:

1. The Parties agree that \_\_\_\_\_'s allocation of Act funding for \_\_\_\_\_(term) shall be based upon the HUD approved Adams County NSP Action Plan.
2. Twenty-five percent (25%) of the funding shall be restricted to benefit households at or below fifty percent (50%) of the Area Median Income (AMI), and may be allocated to the City of \_\_\_\_\_or allocated County wide.
3. Other than determining the amount of \_\_\_\_\_'s allocation of Act funding, the procedures set forth in the HUD-approved NSP shall govern the procedure for distributing Act funding, subject to the terms of the Act and any regulations promulgated by HUD pursuant to the Act.
4. Except as modified by this Addendum No. 1, the terms of the IGA remain in effect.

IN WITNESS WHEREOF, the parties have caused their names to be affixed hereto.  
BOARD OF COUNTY COMMISSIONERS

ADAMS COUNTY, COLORADO

\_\_\_\_\_  
Commissioner Larry Pace, Chairperson

\_\_\_\_\_  
Date

ATTEST  
KAREN LONG  
CLERK AND RECORDER

APPROVED AS TO FORM:

\_\_\_\_\_  
Adams County Attorney's Office

\_\_\_\_\_  
Deputy Clerk

CITY OF \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

# ADAMS COUNTY COMMUNITY DEVELOPMENT NSP SUBSTANTIAL AMENDMENT

DECEMBER 1, 2008

Jurisdiction(s): Adams County, Colorado which includes the cities of Bennett, Brighton, Commerce City, Federal Heights, Northglenn, and Thornton  <i>The lead agency is Adams County Community Development</i>  Jurisdiction Web Address: <ul style="list-style-type: none"><li>• <a href="http://www.co.adams.co.us">www.co.adams.co.us</a></li></ul>	NSP Contact Person: Keith Frausto Community Development Administrator Address: 12200 Pecos St. Westminster, CO 80234 Telephone: 303-453-8520 Fax: 303-453-8505 Email: <a href="mailto:kfrausto@co.adams.co.us">kfrausto@co.adams.co.us</a>
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## **A. AREAS OF GREATEST NEED**

Adams County, Colorado is located in the Denver metropolitan area. Adams County's current population of 420,000 people is spread out over 1,182 square miles with the majority of the population concentrated on the western third of the county. The county contains a diverse mix of land uses varying from older first-ring cities to new green-field suburbs to expanses of open rangeland. All or portions of nine municipalities are found in Adams County. The City and County of Denver is contiguous to our southern border.

Roughly 85,000 residents live in unincorporated Adams County with the majority of the rest of the populations in the cities of Northglenn, Thornton, Westminster, Brighton, Commerce City, Aurora, Arvada and Federal Heights. The towns of Bennett, Strasburg and Watkins are located in the eastern plains and are predominately agricultural, but rapidly urbanizing communities. All communities with the exception of Westminster, Arvada and Aurora (which are their own entitlement communities) participate in the urban county partnership jurisdiction.

Historically poverty in Adams County has hovered around 9%. Populations with low-incomes and living in poverty are concentrated in a number of locations throughout the county, but predominately in the southwestern portion of the county including Aurora, Commerce City, the older communities of unincorporated Adams County, and portions of the older neighborhoods of Thornton, Federal Heights, Northglenn and Brighton.

Due to the dramatic levels of foreclosures in Adams County, Adams County Community Development (ACCD) and other partner agencies such as the Adams County Housing Authority, the Adams County Planning Department, city representatives from Northglenn, Thornton, Brighton, Commerce City, various non-profits and the County Public Trustee formed a foreclosure task force towards the end of 2007. The task force began mapping foreclosures, identifying effective strategies and coordinating the

marketing of foreclosure prevention workshops implemented by the Adams County Housing Authority (ACHA).

This group formed the core team to begin the planning of goals and activities under the Neighborhood Stabilization Program (NSP). County and city staff engaged in identifying projects to be funded by the NSP that would be oriented to establishing the goal of stabilizing target neighborhoods of greatest need. Using HUD data, priority areas included the following:

**Table 1: HUD Data by Census Tract**

City/ Census Tract	Abandonment Risk Score	Est. # of Foreclosures	Foreclosure Rates	High Cost Loan Rates
Commerce City				
8703	10	122	10.8	42
8705	10	104	11.6	45.7
8706	10	96	8.8	44.6
8801	10	140	11.2	49
8901	10	45	10.5	42.8
8512	5	687	7.1	30.7
Northglenn				
8505	9	152	9.4	43.1
8506	8	39	7.2	33.3
8507	8	121	7.8	35.5
8533	8	112	5.9	28.6
9304	8	91	6.8	32.4
Federal Heights				
9316	10	17	6.9	34.2
9318	9	53	9.1	44.2
9319	10	21	11.3	51.3
9320	10	20	8.7	42.3
9321	8	19	6.4	29.2
Thornton				
9101	10	116	9.6	47.5



9104	8	91	8.1	40.4
9202	10	111	9.5	47.1
9204	7	87	5.9	30.2
9205	7	107	6.5	33.1
Brighton				
8603	10	34	8	35.5
8606	9	96	8.8	39.5
8604	8	60	7.2	31.9
8605	8	77	5.7	24.9
8522	7	290	6.8	30.1
Unincorporated				
Berkeley 9750	10	124	7.9	34.6
Welby 9001	10	297	9.5	46.1
Twin Lakes (Perl Mack) 9306	10	80	9.6	44.1
9307	10	45	8.1	38.1
9308	10	83	9.6	44.4
9501	10	47	8.5	86.7
9502	10	61	9.2	43.3
9553	9	51	9	41.6
Sherrelwood 9310	10	99	9.6	44.2
9606	10	39	8.7	40.8
9607	10	46	6.1	24.9
Derby 8801	10	140	11.2	49.0
8802	9	45	11	49.6
8901	10	45	10.5	42.8

Target areas are indicated by shading above. As described below, other factors that contributed to prioritizing the above-mentioned census tracts as target areas for

stabilization included income levels, presence of existing neighborhood improvement programs, existence of a neighborhood identity.

### **City of Commerce City (Table 2)**

For purposes of determining the areas of greatest need within the city's boundaries, Commerce City used data provided by HUD showing (by census tract and block group) the Estimated Foreclosure Abandonment Risk Scores and the Predicted 18-month Underlying Problem Foreclosure Rates. Commerce City also used Federal Reserve Home Mortgage Disclosure Act (HMDA) data showing the percent of all loans made between 2004 and 2006 that are high cost and USPS data identifying residential addresses that have been vacant for 90 days or longer as of June. Based on that data, Census Tracts 87.03, 87.05, 87.06, 88.01, and 89.01 (see Table 2) were identified as the areas with the greatest need where we will target our initial efforts under this program. These census tracts incorporate most of the older, historic part of the city.

The above risk factors for northern part of the city (all located within Census Tract 85.12) are slightly lower; however, that area has experienced the highest ratio of foreclosures to existing homes of any area within Adams County. Also, the homes within Census Tract 85.12 are typically priced from \$200,000 to \$900,000, putting them above a reasonable price range for those making an income less than 120%. We are requesting additional funding to target this area through another application, but without additional funding from the State of Colorado, will continue to focus primarily within the census tracts listed in the above paragraph.

### **City of Thornton (Table 3)**

The City of Thornton proposes to use the Neighborhood Stabilization Program (NSP) funds to support neighborhood revitalization efforts in south Thornton. The Thornton City Council has identified neighborhood stabilization in this area as their top priority; this includes addressing the impact of foreclosures and focusing efforts on revitalizing this area, including developing neighborhood groups that work to enhance the visual appeal of the neighborhood, commercial redevelopment and streetscape improvements.

#### *Neighborhood Target Areas*

The City of Thornton has chosen neighborhoods bordered by 104th, Washington, 88th, and Welby Road as the target areas for NSP. These include Census Tracts 9101, 9104, 9202, 9204, and 9205. Justification for these areas is based upon the following indicators of destabilization: existing data from the Comprehensive Plan, demographic profiles from the census, foreclosure data provided by ACCD, and areas already identified by the city for neighborhood revitalization.

#### *History of Targeted Area*

The City of Thornton began as a bedroom community to Denver in April 1953. Hoffman Homes opened three model homes, located just off Washington Street at this time. These homes were developed for GIs returning from the War and wanting to start a family.

These homes were attractive, solid brick construction home in a planned community. A young GI could purchase the new home with a low-interest loan guaranteed by the federal government.

Today, these homes provide the opportunity for new families to start their life. The City of Thornton would like to bring these homes up to present day building code, thereby continuing to offer young families and adults who fall into the lower income brackets the opportunity to own a home and become a part of the community. Please note that this is not the primary purpose for selecting these neighborhoods. These neighborhoods were selected because they have been identified by the city (through an evaluation process noted above) as areas that are in the greatest need. Some of these homes in the target census tracts have been vandalized, with copper pipes and other basic systems stolen. The City first evaluated data provided by HUD for the LMMI Benefit with Abandonment/Foreclosure Risk Data Set.

Five census tracts were identified and had a score of 8-10, indicating areas of greatest need. In addition, the City utilized a variety of internal and external sources to identify areas that the NSP could have the greatest impact in improving neighborhood stabilization including areas identified in the Thornton Comprehensive Plan as a high priority for “renovation and reinvestment”. This study involved an extensive evaluation of many factors including age of housing, housing value per unit, housing value per square foot, ratio of land value to total value, size of houses, occupancy type, median household income, population over age 65, code violations, and a windshield survey – criteria and indicators that are precisely related to neighborhood stabilization. Other issues that place a role in how Thornton identified its target areas include:

#### Location of Foreclosed Homes

The majority of Census Tract 85.21 resides outside of the boundaries of the City of Thornton. In evaluating the foreclosure data as depicted on the map in the original county NSP Action Plan, out of the total housing units of 515, only 56 of the foreclosed homes were in Thornton. This is not a high percentage compared to the other areas that were selected where 109 homes were vacant due to foreclosure.

#### Higher Incomes in Census Tracts

In Census Tract 85.21, based upon the 2000 Census, the average household median income is \$82,565. This income range would not qualify for any of the HUD income guidelines. Using the HUD AMI for a 3-person household which is the average household size in Thornton, gives the following income qualification levels:

- 120% AMI is \$77,550
- 50% AMI is \$32,300

#### Higher Price of Homes in Census Tracts

Using MLS data from 12/18/08 and overlaying the locations of foreclosure data, we have provided a sample of the asking price and sold price of homes in Census Tract 85.21:

- Springvale Subdivision - \$319,000 / \$308,000
- Riverdale Park - \$329,950 / \$320,000

- Quebec Riverdale - \$294,900 / \$276,000

This is in comparison with the average cost of a home in original Thornton (the targeted areas mentioned above) ranging from \$70,000 to \$100,000.

#### **City of Northglenn (Table 4)**

Section 2301 (c) (2) of HERA requires that the distribution and use of the NSP funds be in: areas that have the greatest percentage of home foreclosures, that have the highest percentage of homes financed by a subprime mortgage related loans, and that have been identified as likely to face a significant rise in the rate of home foreclosures.

These factors were included and used in the analysis of the Northglenn data and are detailed in the above chart. The census tracts are ranked accordingly to the available data. Census Tract 85.05 has the greatest need, followed by 85.07, 93.04, 85.33 and 85.06.

The goal in Northglenn is to restore the physical livability of targeted neighborhoods in the above mentioned census tracts. Homes and project sites will be strategically selected with regard to their overall impact on neighborhood stability. Northglenn will spur private investment once there are successful sales that establish spreads available for investment. Also, the rehabilitation and sale of distressed properties to new families will provide assurance to existing homeowners that the City has not forgotten them and is working to stabilize and improve their neighborhoods and property values. This will likely bring about investment by these homeowners in their homes which will also add to the improvement and value of the neighborhood.

#### **Unincorporated Adams County (Tables 5 & 6)**

Target areas in unincorporated Adams County include the neighborhoods of Berkeley, Welby, Sherrelwood, Twin Lakes (Perl Mack neighborhood) and Derby. These comprise some of the poorest neighborhoods in Adams County. For the past five years Adams County Community Development has been working with local residents to establish neighborhood organizations to function as conduits for neighborhood-based improvements. These groups will provide valuable vision, leadership and commitment to neighborhood stabilization projects. There are formally recognized neighborhood groups in Berkeley, and Twin Lakes/Perl Mack with leadership contacts established in Sherrelwood. The Derby neighborhood has a high number of foreclosures, abandonment rates and foreclosure rates.

#### **City of Brighton**

Census Tract 8606 has been identified as having the highest number of foreclosures, rate of foreclosures and risk factors. Although Census Tract 8522 within Brighton has a high incidence of foreclosure, the range of home prices is between \$144,900 and \$324,900. With this area's easy accessibility and lack of overwhelming rehabilitation needs, ACCD

plans to focus the NSP funds in more deteriorated areas less likely to rebound without the help of the Neighborhood Stabilization Program.

### **City of Federal Heights**

Economic Development staff of the City of Federal Heights have identified specific projects in adjacent Census Tracts 9318 and 9319 as priority areas where the limited NSP funds will have a higher potential for impact in the neighborhood due to the visibility and exposure of selected properties. Over the five-year period of the NSP, the City of Federal Heights will work within all three census tracts in response to the stabilization needs of the community. Census tract 9319 has been identified as having the highest number of foreclosures, rate of foreclosures and risk factors. Most of the foreclosures in this census tract are mobile homes in private mobile home parks and are more problematic since the mobile homes are subject to repossession. ACCD and Federal Height's staff will seek to identify an appropriate impact strategy in response to this phenomenon.

### ***B. DISTRIBUTION AND USES OF FUNDS***

Adams County will prioritize the use of the NSP funds by first targeting the acquisition of foreclosed units in neighborhoods with the highest concentration of subprime mortgage loans and at the highest risk of additional foreclosures, as confirmed through data provided by HUD and the county's own data on foreclosures. The initially targeted areas will be in those neighborhoods that meet the criteria above.

The funds will be used in six primary activities, plus administration:

- 1) As a financing mechanism to ensure affordability (soft seconds, interest buy downs, loan guarantees, and/or a loan loss reserve) primarily for families buying units that have been rehabilitated through this program;
- 2) Acquisition/rehabilitation and resale to first time homebuyers;
- 3) Acquisition/rehabilitation and rental;
- 4) Acquisition/demolition/redevelopment of units that would cost more to rehabilitate than the purchase price;
- 5) Demolition of blighted structures;
- 6) Land Banking; and
- 7) Administration of the program which will not exceed 10% of the NSP grant and 10% of any program income.

### **Financing Mechanism**

As defined in the NSP regulations, down payment assistance and/or other financing mechanisms are permissible uses of the NSP funds. It is anticipated that most, if not all of the units acquired/rehabilitated and sold to first-time homebuyers will require some form of gap financing to ensure affordability. Additionally, NSP funds may be used to buy down the interest rate on the first trust deed for the acquisition of properties by income-eligible homebuyers that are not also being rehabilitated. The buy-down option is not anticipated to represent many units.

### **Acquisition/Rehabilitation and Resale**

Adams County will acquire and rehabilitate foreclosed, abandoned single family units and sell them to income-eligible first-time homebuyers (individuals and families that have not owned real property in the previous three years). This will be done through a combination of leverages, and partnered and direct purchases. The final sale price will be no greater than the initial acquisition and rehabilitation costs. All acquisitions will be made for at least 5% below an appraised value determined no more than 60 days prior to the date of the offer to purchase with the aggregate of the portfolio of acquisitions made for at least 15% below an appraised value.

Prospective buyers of these homes must be income qualified, not to exceed 120% of the Area Median Income (AMI) as defined by HUD. In addition prospective buyers of these homes will be required to attend both pre-acquisition and post-acquisition homebuyer counseling as provided by the Adams County Housing Authority or another HUD certified housing counseling agency.

### **Acquisition/Rehabilitation/Rental**

This activity will consist of rent-to-own units, basic affordable rental units, and multi-family rental units for households earning at or below 50% of AMI. Depending on the pool of applicants for the purchase of the rehabilitated units, there may be some that have adequate income but lack an appropriate credit score to be able to purchase at this time. The Adams County Housing Authority or other designated sub-recipient would take title to the unit, and lease the unit in a rent-to-own scenario. Enrollment with a credit counseling program by a HUD certified agency would be mandatory, and a portion of the rent would be set aside to start collecting as a down payment. All units will be made available at affordable rental rates for households at all income levels up to 120% AMI.

For the required 25% of NSP funds which need to be used to serve individuals and families at or below 50% AMI, Adams County will use the funds in acquisition/rehabilitation/rental activities primarily to serve families at or below 50% AMI and/or special needs clients when those clients meet the income qualifications defined by the program. These funds will be utilized for acquisition/rehabilitation of multi-family units in partnership with non-profit housing developers. Typically, title to the property would be transferred to a designated agency for sustainable affordable housing such as the Adams County Housing Authority. Where possible, these units will be used to augment the special needs housing categories such as the elderly and the disabled for those who meet the required income qualifications.

### **Acquisition/Demolition/Redevelopment**

In certain instances, the condition of specific units may warrant demolition instead of rehabilitation. In such cases where the rehabilitation costs exceed the acquisition costs, staff would consult with the County's Building Officials regarding the structural

soundness of the house. If deemed appropriate, demolition would occur. Plans to develop the parcel as an infill unit or units would commence immediately.

### **Demolition of Blighted Structures**

Though not a high priority, in particular the first year of this program, it is assumed that some structures will have been vacated and blighted prior to the abandonment. Once deemed blighted in accordance with local law, these structures will be demolished and the land made available to redevelop.

### **Land Banking**

Depending on opportunities within the market, Adams County may elect to purchase properties and hold them for a period of up to ten years as per NSP08.03.

### **Administration**

Ten percent, or \$460,211, of the Adams County's NSP allocation can be used for administration purpose. Adams County will make use of the entirety of these funds to contract project-designated staff for the duration of the NSP as well as to cover operational supplies, materials and equipment. It is further anticipated that a 10 percent portion of any program income will be used to cover direct project-related costs incurred by ACCD.

### **Program Income**

Throughout the five-year program period, Adams County will continually reinvest returned income from the program back into the program. Reinvestment of program income will follow all HUD Neighborhood Stabilization Program objectives as well as addressing the foreclosure and stabilization needs of Adams County at the time of program income return.

Adams County will include program income provisions with all contracts and agreements with sub-grantees as well as participating Adams County cities. This will ensure consistent and transparent administration of NSP program income when applicable. Sub-grantee and participating Adams County cities will be subject to monitoring by Adams County to ensure proper administration and usage of program income.

All program income received by Adams County following the end of the five-year program period (July 13<sup>th</sup>, 2013) will be returned to the United States Treasury unless otherwise indicated by HUD.

### **Distribution of Funds to Sub-recipients**

Adams County's Neighborhood Stabilization Program Amendment was the result of significant interaction between ACCD staff and staff of the municipalities where

foreclosure impact has been the highest. ACCD and city staff will continue to function as a committee through which the NSP will be coordinated. In partnership with ACCD staff, city officials will continue to play a key role in the project identification phase, determining the neighborhoods, properties and the scope of work for each project as well as tracking the impact of each project. This NSP Committee will review project proposals from sub-recipients to ensure the proposals are keeping with the NSP objectives, thus decisions related to the NSP with regards to allocations to sub-recipients will be made by the county with significant input from the city staff. Contracts with sub-recipients will be with Adams County.

With regards to the selection process of sub-recipients, ACCD is working with the state of Colorado, Aurora, and the City of Denver to establish common procedures. ACCD will employ a process that is open, fair and objective. The process will consist of a public notice, an application format that is standardized, with clear selection criteria and screening of applications. The NSP Committee mentioned above (with the county in the lead role) will review each application and make allocation decisions based on specific criteria. Criteria will include but not be limited: to the core competency of each agency, track record in the project area they applying for, financial stability, relevance of the proposal to the target areas and stated county/city priorities, the cost effectiveness of the project and the amount of non-NSP funds leveraged or committed. For other services and contractors, the NSP Committee and its sub-recipients will make use of RFQ and bidding procedures in keeping with county and HUD policy.

### ***C. DEFINITIONS AND DESCRIPTIONS***

#### **(1) Definition of “blighted structure” in context of state or local law:**

Adams County and its partnering cities use the State of Colorado’s definition of blight as found in the Colorado Revised Statutes 31-25-103.

#### **(2) Definition of “affordable rents”:**

For any NSP-funded rental activity, “affordable rents” shall be defined as 30% of the household’s adjusted income, less utility allowances as adopted by the Adams County Housing Authority for the Section 8 program, as appropriate. The maximum Affordable Rents shall not exceed the Fair Market Rents (FMR) as published annually by the U.S. Department of Housing and Urban Development for each county in Colorado.

#### **(3) Describe how the grantee will ensure continued affordability for NSP assisted housing:**

To ensure continued affordability ACCD uses the definition of affordable rents, rent schedule and utility allowances, affordability period and continued affordability as provided by HUD in *24 CFR 92.25 sections (a), (c), (e), (f) as well as 92.252(c)*.

Specifically:

(a) Rent limitation. HUD provides the following maximum HOME rent limits. The maximum HOME rents are the lesser of:



- (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.

(b) Initial rent schedule and utility allowances. The participating jurisdiction must establish maximum monthly allowances for utilities and services (excluding telephone). The participating jurisdiction must review and approve rents proposed by the owner for units subject to the maximum rent limitations in paragraphs (a) or (b) of this section. For all units subject to the maximum rent limitations in paragraphs (a) or (c) of this section for which the tenant is paying utilities and services, the participating jurisdiction must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

(c) Periods of Affordability. The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

Rental housing activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000.....	5
\$15,000 to \$40,000.....	10
Over \$40,000 or rehabilitation involving refinancing.....	15
New construction or acquisition of newly constructed housing.....	20

(d) Subsequent rents during the affordability period. The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum HOME rent limits to participating jurisdictions. Regardless of changes in fair market rents and in median income over time,

the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

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

The NSP funds will use the Adams County standards from its Homeowner Occupied Rehabilitation Program known as the Home Improvement Program.

- ***Code / Health & Safety Repairs*** – The first priority of the Housing Rehab Program is to eliminate, or otherwise “cure” any and all pre-existing Code violations and Health & Safety hazards. Therefore, all rehab projects must correct any pre-existing code deficiencies and/or health & safety related repairs needed. This includes preexisting construction found that was done without permits (room additions, garage conversions, patio additions, etc). All such pre-existing construction must be either brought up to code and obtain approved building permits, or must be demolished, as part of the rehab project.

- ***Lead Based Paint Hazards*** – An additional priority of the Housing Rehabilitation Program is to reduce any lead-based paint hazards present in homes. A Lead-Based Paint test (XRF testing) and a Risk Assessment are required on all rehabilitation projects to identify the existence and scope of any lead-based paint hazards in the home. The standards of “Lead-Based Paint Poisoning Prevention in Federally Owned and Federally Assisted Housing” found at 24 CFR Part 35 apply.

- ***General Property Improvements*** – Once the cost of repairing all code deficiencies, health and safety items, lead-based paint hazards, and termite repairs are totaled up, then any additional program funding may be used to address general property improvements. General property improvements may include a wide variety of items such as painting, replacement of fixtures, replacement of cabinets and vanities, replacement of flooring, etc. General property improvements may NOT include any materials or items that are of a type and quality which exceeds the standards for similar properties in the area, or that far exceed the basic standards of “decent, safe, and sanitary housing.” The minimally acceptable standards may be found at 24 CFR 983.101.

***D. LOW INCOME TARGETING***

For the 2008 Neighborhood Stabilization Program, Adams County has received \$4,600,211 to address neighborhood stabilization activities in our community. Adams County will use no less than \$1,150,052.75 of the NSP allocation to cover eligible investments towards eligible activities benefiting individuals and/or families whose incomes do not exceed 50% of area median income. The responsibility of conducting these activities will be shared by all jurisdictions within the entitlement community of Adams County. The primary mechanism by which this will be achieved is through Multi-Family Acquisition / Rehab/ Redevelopment/ Rental. There will also be some opportunities with Single Family Acquisition / Rehab / Redevelopment as well.

***E. ACQUISITIONS & RELOCATION***

Adams County does intend to address some blight conditions by demolishing and redeveloping some vacant and foreclosed residential properties. This activity will be limited and the County estimates that approximately five properties annually will be involved in this activity over the course of the program. It is expected that the density will be increased and throughout the five-year course of this program an estimated 50 families will benefit from this activity. It is also expected that all of the families will be at or below 120% AMI, and that roughly 50% will be at or below 50% AMI.

**F. PUBLIC COMMENT**

Adams County Community Development has posted this plan for a fifteen-day public comment period on Thursday, November 13<sup>th</sup> through publication in the local Northglenn-Thornton Sentinel and by posting it to the Adams County website. Public comments received during this time can be viewed in Attachment A. All public comments were considered before final submission of the amendment to HUD. The Board of County Commissioners ratified the NSP substantial amendment on November 24, 2008.

**G. NSP Information by Activity**

Activity #	Activity Name	Indicator	Units	<=50%	51%-80%	81%-120%	Amount
NSP08.01	Purchase and Redevelopment Finance Mechanisms	Persons	29	7	12	10	\$299,013.72
NSP08.02	Acquisition, Rehabilitation and Resale	Housing Units	18	4	7	7	\$2,242,602.86
NSP08.03	Acquisition, Rehabilitation and Rental	Housing Units	9	9	0	0	\$1,150,052.75
NSP08.04	Establishment of land banks	Housing Units	2	0	1	1	\$149,506.85
NSP08.05	Demolition of Blighted Structures	Housing Units	3	1	1	1	\$149,506.86
NSP08.06	Redevelop demolished or vacant properties	Housing Units	3	1	1	1	\$149,506.86
NSP08.07	Administration	NA	NA	NA	NA	NA	\$460,021.10

1) Activity Name:

Purchase and Redevelopment Finance Mechanisms NSP08.01.

2) Activity Type:

NSP eligible activity:

(A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.

CDBG eligible activity:

24 CFR 570.201(n) Homeownership Assistance.

3) National Objective:

All beneficiaries of the Adams County NSP are restricted to low-, moderate-, and middle-income individuals and families as defined by the NSP notice and HUD Section 8 income limits.

4) Activity Description:

This activity is for the creation and execution of purchase and finance mechanisms to assist first-time homebuyers and income-qualified homebuyers less than or equal to 120% AMI.

5) Location Description:

Adams County Community Development is working with its consortium partners to develop a comprehensive county-wide approach to foreclosure assistance and neighborhood stabilization. Preliminary studies of data concerned with foreclosure rate, 90-day vacancy rates, and high-cost loan rates has revealed the need to focus resources in the following areas: See Table A-1

6) Performance Measures:

This activity will be to assist first-time and income-qualified homebuyers in the purchase of a formerly foreclosed upon home. Performance measures will be based on the number of individuals and families assisted through this activity. ACCD anticipates 29 first-time and income-qualified homebuyers to benefit from this activity throughout the duration of the program.

7) Total Budget:

Adams County Community Development initially looks to partition 10% of its \$2,990,137.15 NSP allocation (after administration and 50% AMI allocation), or \$299,013.72, specifically to create and execute purchase and finance mechanisms. ACCD is looking to further develop private partnerships for increased financial leverage in this activity.

8) Responsible Organization:

Adams County Community Development (ACCD) is the lead entity of a consortium including five (5) additional municipalities: Brighton, Commerce City, Federal Heights, Northglenn and Thornton.

9) Projected Start Date: January 1, 2009

10) Projected End Date: July 30, 2013

11) Specific Activity Requirements:

Discount rate: Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent. The average purchase discount shall be at least 10 percent if the State determines the maximum reasonable discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent).

Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to taxes, insurance, maintenance, marketing, overhead and interest. Adams County or its contractor will document this analysis for each purchase transaction.

Interest rate: Range of interest rates 0-6.75%

Duration of assistance: Period of affordability will meet minimum requirements of the HOME Program based on the amount of NSP funds invested.

Tenure of beneficiaries: Owners

Continued affordability: For all rental properties assisted throughout the course of this program, compliance with the affordability standards set by HUD's HOME Program (24 CFR 92.252) will be required. All owner properties will meet HOME requirements of 24 CFR 92.254. If necessary, longer periods of affordability may be proposed and considered.

1) Activity Name:

Acquisition, Rehabilitation and Resale NSP08.02.

2) Activity Type:

NSP eligible activity:

(B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG eligible activity:

- 24 CFR 570.201(a) Acquisition.
- 24 CFR 570.201(b) Disposition
- 24 CFR 570.202(a)(1) Eligible Rehabilitation and Preservation Activities

3) National Objective:

All beneficiaries of the Adams County NSP are restricted to low-, moderate-, and middle-income individuals and families as defined by the NSP notice and HUD Section 8 income limits.

4) Activity Description:

This activity is for the acquisition, rehabilitation and resale of foreclosed-upon residential properties. Acquisition costs for all properties will be no less than 5% below the current 60 day appraisal and at least 15% below appraisal for the entire portfolio of homes purchased. Rehabilitation activities will be bid through a competitive Request For Proposal (RFP) process or a formal bidding process as outlined by the Adams County procurement policy. The sales price of each home will be a sum of the cost of purchase in addition to the cost of rehab as well as reasonable program delivery costs.

5) Location Description:

Adams County Community Development is working with its consortium partners to develop a comprehensive County-wide approach to foreclosure assistance and neighborhood stabilization. Preliminary studies of data concerned with foreclosure rate, 90 day vacancy rates, and high cost loan rates has revealed the need to focus resources in the following areas: See Table 1

6) Performance Measures:

This activity is to create safe, suitable and affordable homes for first-time and income-qualified homebuyers. Performance measures will be based on the number of individuals and families housed in rehabilitated homes through this activity. ACCD anticipates 18 first-time and income-qualified homebuyers to benefit from this activity throughout the duration of the program.

7) Total Budget:

Adams County Community Development initially looks to partition 75% of its \$2,990,137.15 NSP allocation (after administration and 50% AMI allocation), or \$2,242,602.86 specifically to acquire, rehabilitate and resell properties. ACCD is looking to further develop private partnerships for increased financial leverage in this activity.

8) Responsible Organization:

Adams County Community Development(ACCD) is the lead entity of a consortium including five (5) additional municipalities: Brighton, Commerce City, Federal Heights, Northglenn and Thornton.

9) Projected Start Date: January 1, 2009

10) Projected End Date:

Acquisition, Rehabilitation and Resale or Rental activities will continue through July 2013.

11) Specific Activity Requirements:

Discount rate: Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent. The average purchase discount shall be at least 10 percent if the State determines the maximum reasonable discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent).

Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to taxes, insurance, maintenance, marketing, overhead and interest. Adams County or its contractor will document this analysis for each purchase transaction.

Duration of assistance: Period of affordability will meet minimum requirements of the HOME Program based on the amount of NSP funds invested.

Tenure of beneficiaries: Owners

Continued affordability: All owner properties will meet HOME requirements of 24 CFR 92.254. If necessary, longer periods of affordability may be proposed and considered.

1) Activity Name:

Acquisition, Rehabilitation and Rental NSP08.03.

2) Activity Type:

NSP eligible activity:

(B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG eligible activity:

24 CFR 570.201(a) Acquisition.

24 CFR 570.201(b) Disposition

24 CFR 570.202(a)(1) Eligible Rehabilitation and Preservation Activities

24 CFR 570.

3) National Objective:

All beneficiaries of the Adams County NSP are restricted to low-, moderate-, and middle-income individuals and families as defined by the NSP notice and HUD Section 8 income limits.

4) Activity Description:

This activity is for the acquisition, rehabilitation and rental of foreclosed-upon residential properties. Acquisition costs for all properties will be no less than 5% below the current 60 day appraisal and at least 15% below appraisal for the entire portfolio of homes purchased. Rehabilitation activities will be bid through a competitive Request For Proposal (RFP) process or a formal bidding process as outlined by the Adams County procurement policy. Rents will be no greater than 30% of the renters household income less utilities. The final sales price of each home will not exceed the cost of purchase in addition to the cost of rehab as well as reasonable program delivery costs less reasonable deductions from rent (if applicable).

5) Location Description:

Adams County Community Development is working with its consortium partners to develop a comprehensive County-wide approach to foreclosure assistance and neighborhood stabilization. Preliminary studies of data concerned with foreclosure rate, 90 day vacancy rates, and high cost loan rates has revealed the need to focus resources in the following areas: See Table 1

6) Performance Measures:

This activity will consist of rent-to-own units, basic affordable rental units, and multi-family rental units primarily for households earning at or below 50% of AMI. Depending on the pool of applicants for the purchase of the rehabilitated units, there may be some that have adequate income but lack an appropriate credit score to be able to purchase at this time. A designated sub-recipient such as the Adams County Housing Authority would take title to the unit, and lease the unit in a rent-to-own scenario. Enrollment with a credit counseling program by a HUD certified agency would be mandatory, and a portion of the rent would be set aside to start collecting as a down payment. It is expected that at least 9 20 multi-family units would be made available from these funds.



For the required 25% of NSP funds which need to be used to serve individuals and families at or below 50% AMI, Adams County will use the funds in acquisition/rehabilitation/rental activities primarily to serve families at or below 50% AMI and/or special needs clients when those clients meet the income qualifications defined by the program. These funds will be utilized for acquisition/rehabilitation of multi-family units in partnership with non-profit housing developers. Typically, title to the property would be transferred to a designated agency for sustainable affordable housing such as the Adams County Housing Authority. Where possible, these units will be used to augment the special needs housing categories such as the elderly and the disabled.

7) Total Budget:

Adams County Community Development initially looks to partition 25% of its \$4,600,211 NSP allocation, or \$1,150,052.75 specifically to acquire, rehabilitate and rent properties. ACCD is looking to further develop private partnerships for increased financial leverage in this activity.

8) Responsible Organization:

Adams County Community Development(ACCD) is the lead entity of a consortium including five (5) additional municipalities: Brighton, Commerce City, Federal Heights, Northglenn and Thornton.

9) Projected Start Date: January 1, 2009

10) Projected End Date:

Acquisition, Rehabilitation and Resale or Rental activities will continue through July 2013.

11) Specific Activity Requirements:

Discount rate: Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent. The average purchase discount shall be at least 10 percent if the State determines the maximum reasonable discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent).

Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to taxes, insurance, maintenance, marketing, overhead and interest. Adams County or its contractor will document this analysis for each purchase transaction.

Duration of assistance: Period of affordability will meet minimum requirements of the HOME Program based on the amount of NSP funds invested.

Tenure of beneficiaries: Renters

Continued affordability: For all rental properties assisted throughout the course of this program, compliance with the affordability standards set by HUD's HOME Program (24 CFR 92.252) will be required. If necessary, longer periods of affordability may be proposed and considered.

1) Activity Name:

Establishment of land banks NSP08.04.

2) Activity Type:

NSP eligible activity:

(C) Establish land banks for homes that have been foreclosed upon.

CDBG eligible activity:

24 CFR 570.201(a) Acquisition.

3) National Objective:

All beneficiaries of the Adams County NSP are restricted to low-, moderate-, and middle-income individuals and families as defined by the NSP notice and HUD Section 8 income limits.

4) Activity Description:

This activity is to establish land banks for homes that have been foreclosed upon, thereby preserving affordable housing options for income-qualified homebuyers. Land banks will be utilized to carry-out eligible projects, such as NSP08.02, NSP08.03, NSP08.05, NSP08.06 to help further stabilize neighborhoods. Following the ten-year holding period, if properties remain unimproved, they will be sold to nonprofit affordable housing developer

5) Location Description:

Adams County Community Development is working with its consortium partners to develop a comprehensive County-wide approach to foreclosure assistance and neighborhood stabilization. Preliminary studies of data concerned with foreclosure rate,

90 day vacancy rates, and high cost loan rates has revealed the need to focus resources in the following areas: See Table A-1

6) Performance Measures:

This activity is to create safe, suitable and affordable homes for first-time and income-qualified homebuyers. Performance measures will be based on the number of individuals and families housed in rehabilitated homes through this activity. ACCD anticipates 2 first-time and income-qualified homebuyers to benefit from this activity throughout the duration of the program.

7) Total Budget:

Adams County Community Development initially looks to partition 5% of its \$2,990,137.15 NSP allocation (after administration and 50% AMI allocation), or \$149,506.85 specifically to establish land banks for homes that have been foreclosed upon. ACCD is looking to further develop private partnerships for increased financial leverage in this activity.

8) Responsible Organization:

Adams County Community Development (ACCD) is the lead entity of a consortium including five (5) additional municipalities: Brighton, Commerce City, Federal Heights, Northglenn and Thornton.

9) Projected Start Date: January 1, 2009

10) Projected End Date:

All land banking activities will continue through July 2013.

11) Specific Activity Requirements:

Discount rate: Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent. The average purchase discount shall be at least 10 percent if the State determines the maximum reasonable discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent).

Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to taxes, insurance, maintenance, marketing, overhead and interest. Adams County or its contractor will document this analysis for each purchase transaction.

Interest rate: Range of interest rates 0-6.75%

Duration of assistance: Period of affordability will meet minimum requirements of the HOME Program based on the amount of NSP funds invested.

Tenure of beneficiaries: Owners and Renters

Continued affordability: For all rental properties assisted throughout the course of this program, compliance with the affordability standards set by HUD's HOME Program (24 CFR 92.252) will be required. All owner properties will meet HOME requirements of 24 CFR 92.254. If necessary, longer periods of affordability may be proposed and considered.

Disposition of Land Banks:

Properties established through land banking will be held until the market is ready to absorb new development.

1) Activity Name:

Acquisition and Demolition of Blighted Structures NSP08.05.

2) Activity Type:

NSP eligible activity:

(C) Demolish blighted structures.

CDBG eligible activity:

24 CFR 570.201(d) Clearance Activities.

24 CFR 570.201(a) Acquisition

3) National Objective:

All beneficiaries of the Adams County NSP are restricted to low-, moderate-, and middle-income individuals and families as defined by the NSP notice and HUD Section 8 income limits.

4) Activity Description:

This activity will acquire, demolish and otherwise remove blighted structures that serve to destabilize neighborhoods by contributing to lower property values, crime and safety hazards. Demolished sites will be sold to affordable housing developer to further develop the properties

5) Location Description:

Adams County Community Development is working with its consortium partners to develop a comprehensive County-wide approach to foreclosure assistance and neighborhood stabilization. Preliminary studies of data concerned with foreclosure rate, 90 day vacancy rates, and high cost loan rates has revealed the need to focus resources in the following areas: See Table A-1

6) Performance Measures:

This activity is to remove blighted structures for future redevelopment opportunities. Adams County estimates that 3 properties will be demolished.

7) Total Budget:

Adams County Community Development initially looks to partition 5% of its \$2,990,137.15 NSP allocation (after administration and 50% AMI allocation), or \$149,506.86 specifically to demolish blighted structures. ACCD is looking to further develop private partnerships for increased financial leverage in this activity.

8) Responsible Organization:

Adams County Community Development (ACCD) is the lead entity of a consortium including five (5) additional municipalities: Brighton, Commerce City, Federal Heights, Northglenn and Thornton.

9) Projected Start Date: January 1, 2009

10) Projected End Date:

Demolition of blighted structure activities will continue through July 2013.

11) Specific Activity Requirements:

Discount rate: Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent. The average purchase discount shall be at least 10 percent if the State determines the maximum reasonable discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent).

Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to taxes, insurance,

maintenance, marketing, overhead and interest. Adams County or its contractor will document this analysis for each purchase transaction.

Duration of assistance: Period of affordability will meet minimum requirements of the HOME Program based on the amount of NSP funds invested.

Tenure of beneficiaries: Owners and Renters

Continued affordability: For all rental properties assisted throughout the course of this program, compliance with the affordability standards set by HUD's HOME Program (24 CFR 92.252) will be required. All owner properties will meet HOME requirements of 24 CFR 92.254. If necessary, longer periods of affordability may be proposed and considered.

1) Activity Name:

Redevelop demolished or vacant properties NSP08.06.

2) Activity Type:

NSP eligible activity:

(d) Redevelop demolished or vacant properties.

CDBG eligible activity:

24 CFR 570.201(m) Construction of Housing.

3) National Objective:

All beneficiaries of the Adams County NSP are restricted to low-, moderate-, and middle-income individuals and families as defined by the NSP notice and HUD Section 8 income limits.

4) Activity Description:

This activity is to redevelop demolished or vacant properties, thereby increasing affordable housing options for income-qualified homebuyers.

5) Location Description:

Adams County Community Development is working with its consortium partners to develop a comprehensive County-wide approach to foreclosure assistance and neighborhood stabilization. Preliminary studies of data concerned with foreclosure rate,

90 day vacancy rates, and high cost loan rates has revealed the need to focus resources in the following areas: See Table A-1

6) Performance Measures:

This activity is to remove blighted structures for future redevelopment opportunities. Adams County estimates that 3 unduplicated properties will be demolished.

7) Total Budget:

Adams County Community Development initially looks to partition 5% of its \$2,990,137.15 NSP allocation (after administration and 50% AMI allocation), or \$149,506.86 specifically to redevelop demolished or vacant properties to increase affordable housing opportunities in Adams County. ACCD is looking to further develop private partnerships for increased financial leverage in this activity.

8) Responsible Organization:

Adams County Community Development (ACCD) is the lead entity of a consortium including five (5) additional municipalities: Brighton, Commerce City, Federal Heights, Northglenn and Thornton.

9) Projected Start Date: January 1, 2009

10) Projected End Date:

All redevelopment activities will continue through July 2013.

11) Specific Activity Requirements:

Discount rate: Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent. The average purchase discount shall be at least 10 percent if the State determines the maximum reasonable discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent).

Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to taxes, insurance, maintenance, marketing, overhead and interest. Adams County or its contractor will document this analysis for each purchase transaction.

Interest rate: Range of interest rates 0-6.75%

Duration of assistance: Period of affordability will meet minimum requirements of the HOME Program based on the amount of NSP funds invested.

Tenure of beneficiaries: Owners and Renters

Continued affordability: For all rental properties assisted throughout the course of this program, compliance with the affordability standards set by HUD's HOME Program (24 CFR 92.252) will be required. All owner properties will meet HOME requirements of 24 CFR 92.254. If necessary, longer periods of affordability may be proposed and considered.

1) Activity Name:

Administration NSP08.07.

2) Activity Type:

CDBG eligible activity:

24 CFR 570.206 Administrative Costs.

3) National Objective:

All beneficiaries of the Adams County NSP are restricted to low-, moderate-, and middle-income individuals and families as defined by the NSP notice and HUD Section 8 income limits.

4) Activity Description:

This activity is to provide the administrative capacity to carry-out, maintain and monitor all NSP activities.

5) Location Description:

Adams County Community Development is working with its consortium partners to develop a comprehensive County-wide approach to foreclosure assistance and neighborhood stabilization.

6) Performance Measures:

N/A

7) Responsible Organization:



Adams County Community Development (ACCD) is the lead entity of a consortium including five (5) additional municipalities: Brighton, Commerce City, Federal Heights, Northglenn and Thornton.

8) Total Budget:

Adams County Community Development initially looks to partition 10% of its \$4,600,211 NSP allocation, or \$460,021.10 specifically to administer the NSP program.

9) Projected Start Date: January 1, 2009

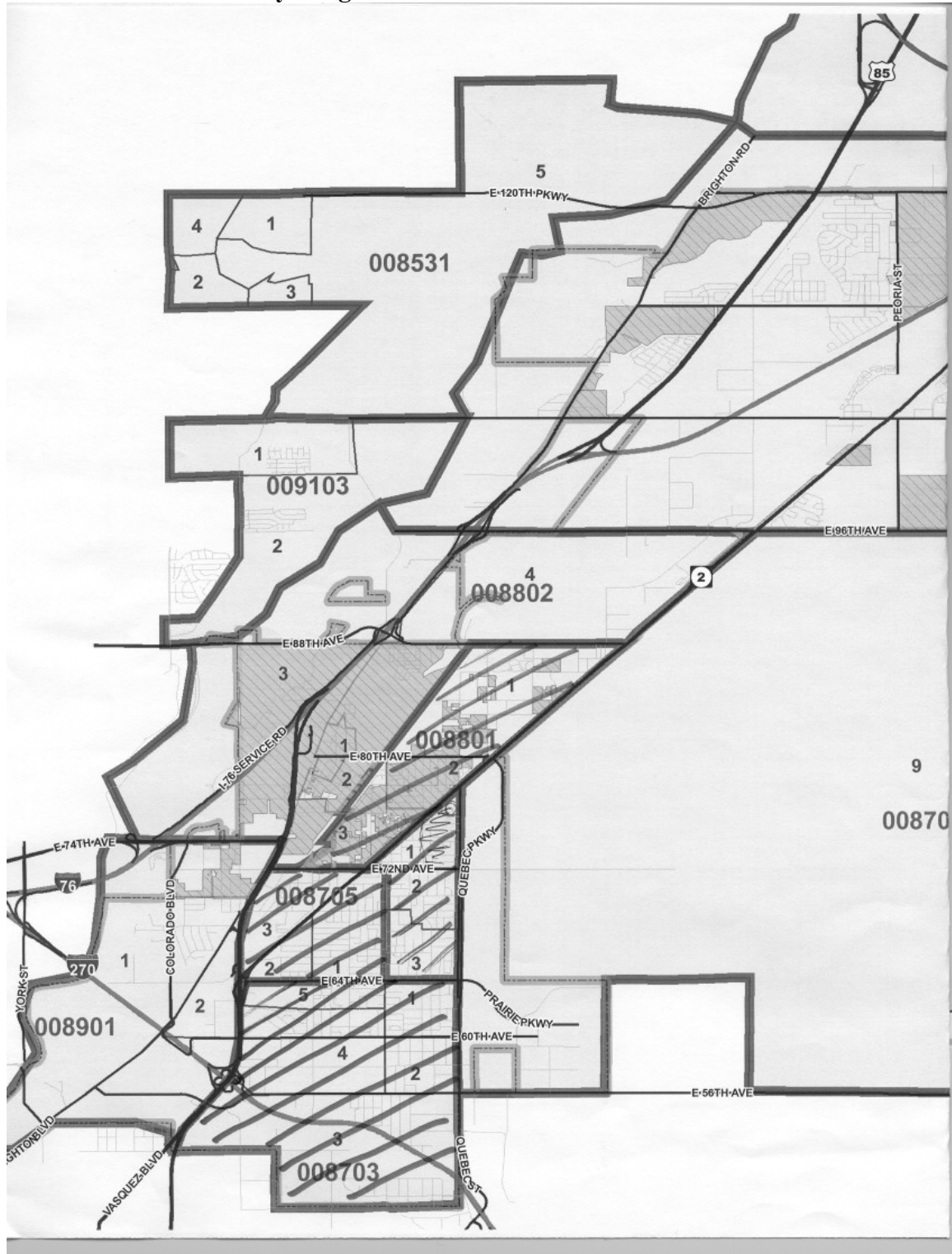
10) Projected End Date:

All redevelopment activities will continue through July 2013.

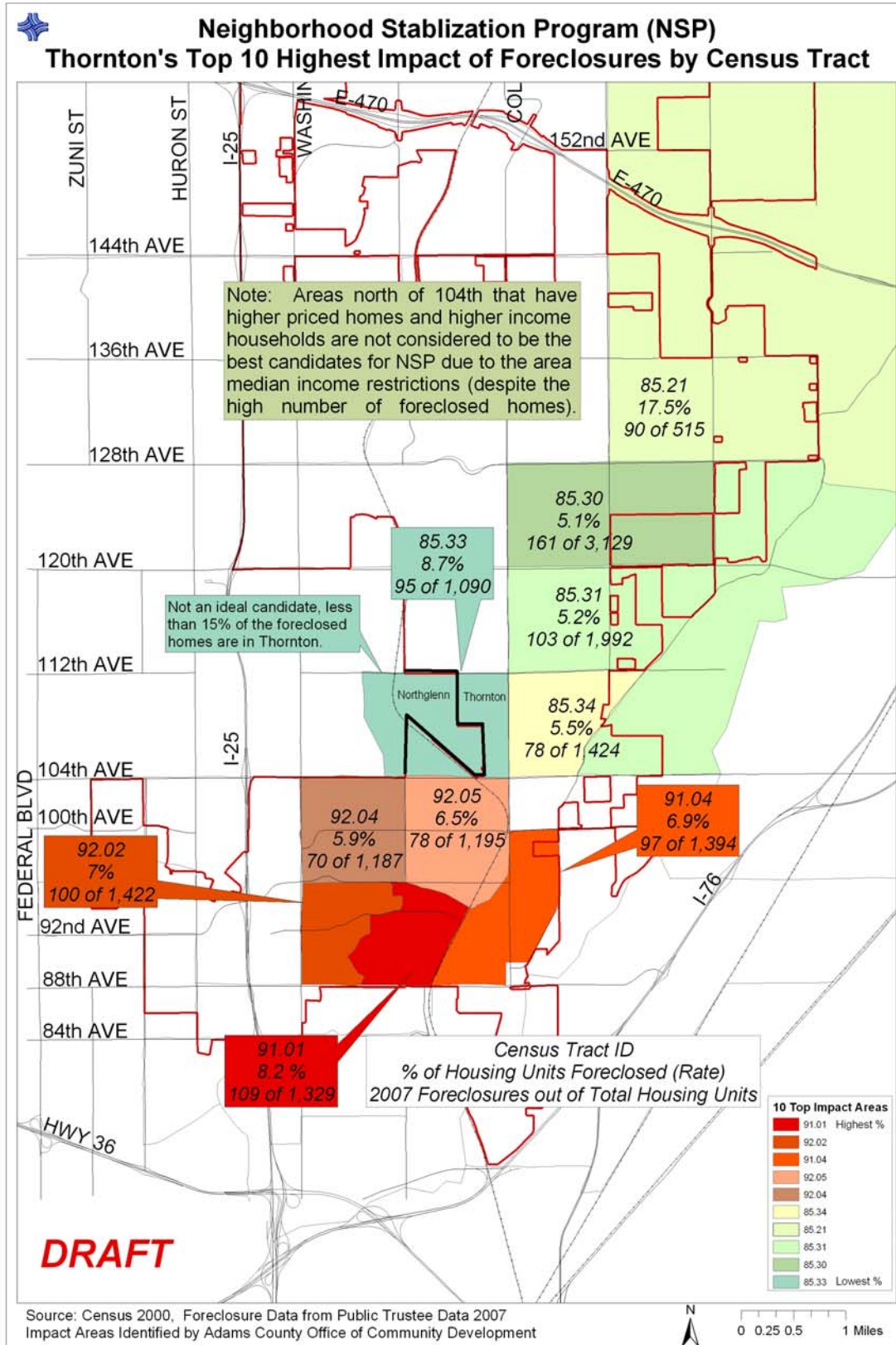
11) Specific Activity Requirements:

N/A

**Table 2. Commerce City Target Areas**

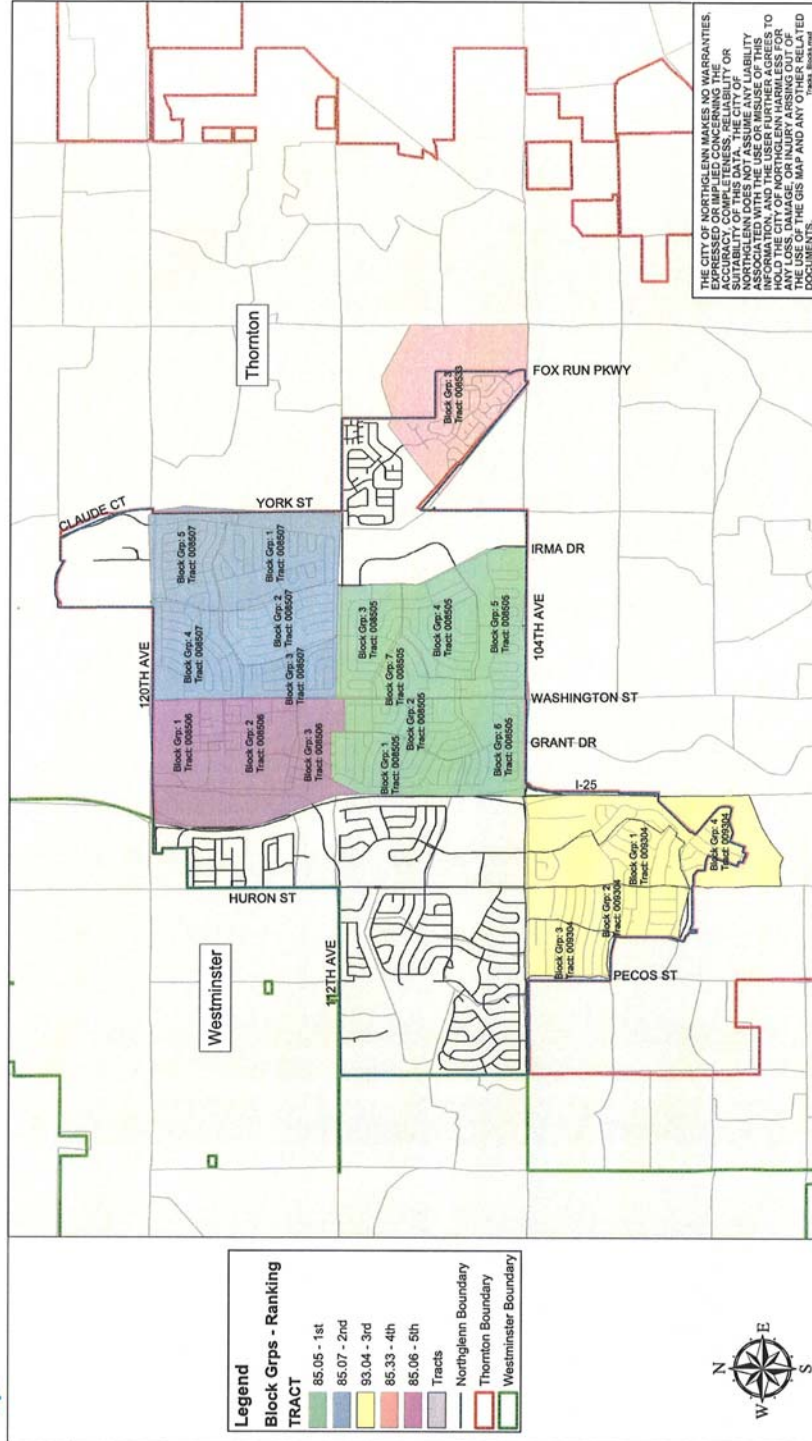


**Table 3. Thornton Target Areas**



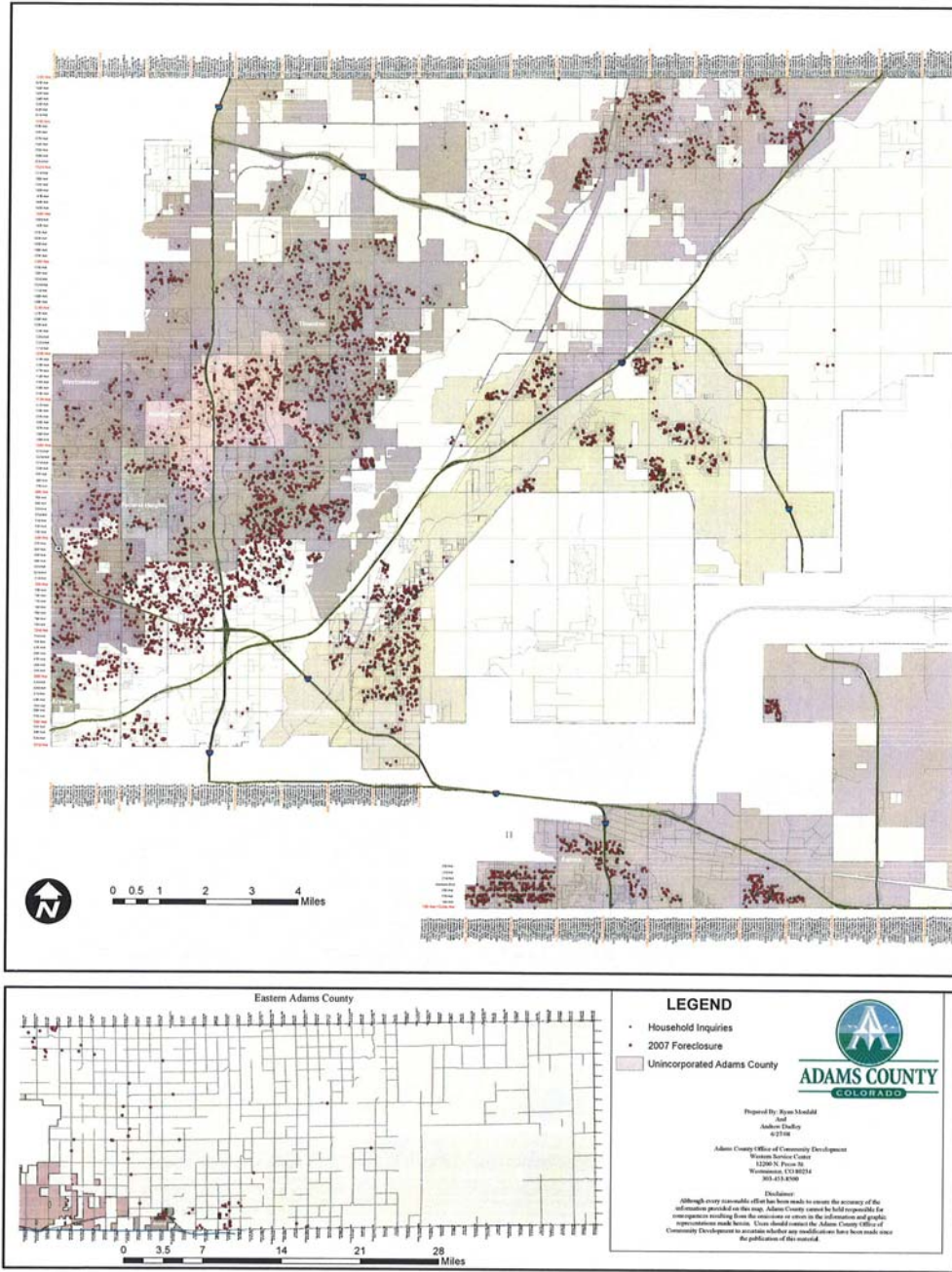
**Table 4. Northglenn Target Neighborhoods**

**Neighborhood Stabilization Program  
Areas of Greatest Need**

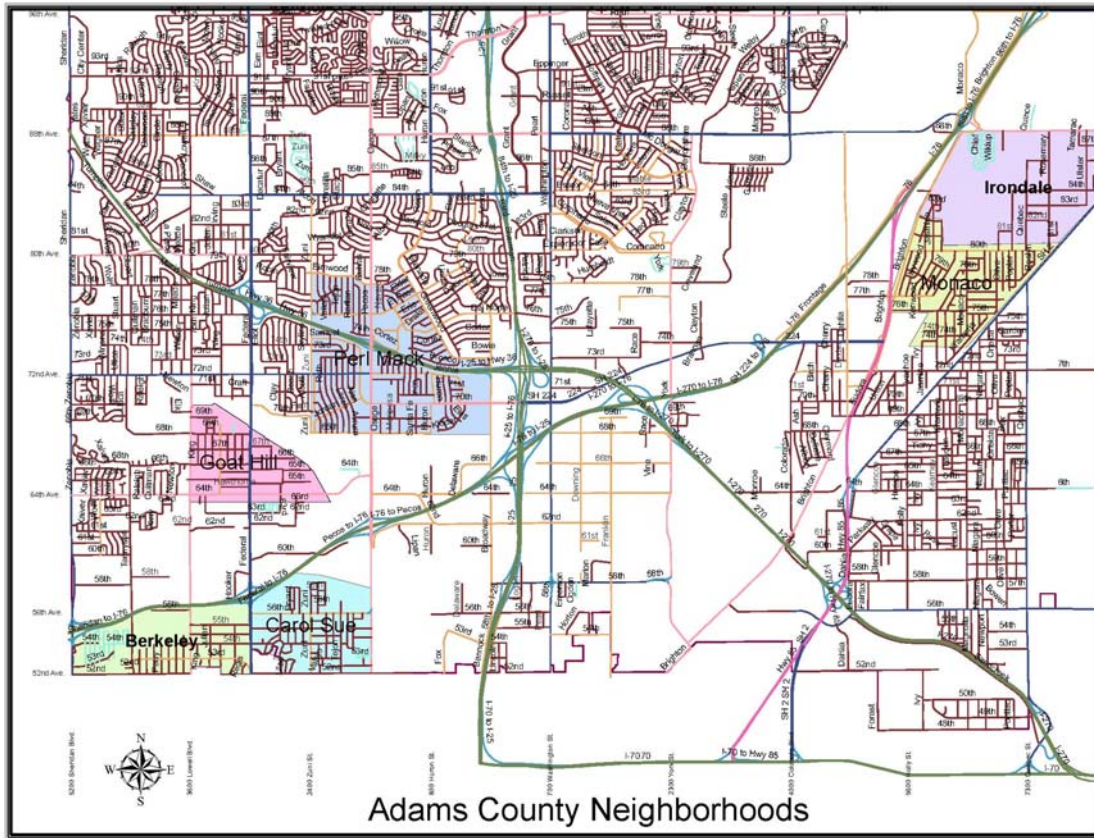


**Table 5. Adams County Foreclosures**

ADAMS COUNTY OFFICE OF COMMUNITY DEVELOPMENT  
2007 Foreclosures and Foreclosure Prevention Inquiries



**Table 6. Unincorporated Target Neighborhoods (minus Derby and Sherrelwood)**



## Adams County Community Development Neighborhood Stabilization Program Allocation Methodology

Adams County Community Development (ACCD) has utilized local HUD foreclosure information to develop an allocation formula that allows for each municipality within the Adams County Consortium.

ACCD has received \$4,600,211 for the 2008 Neighborhood Stabilization Program, a program developed by HUD to address the growing need for stabilization activities in communities affected by the recent economic downturn. Of the \$4,600,211, ACCD will have \$4,140,190 to allocate directly to the program, after the 10% (\$460,021) administration allowance.

The remaining \$4,140,190 will be divided three ways to address HUD priority indicators for the County. These indicators are Foreclosure Rate, 90-day Vacancy Rate and Subprime Loan Rate.

To calculate the Foreclosure Rate, the number of foreclosures for each municipality was divided by the total number of County foreclosures, creating a foreclosure percentage for the municipality. This percentage was then multiplied by the amount of money allocated to the foreclosure rate, \$1,380,063 (33% of \$4,140,190).

To calculate 90-day Vacancy Rate, the vacancies for each municipality was divided by the total number of County vacancies, creating a vacancy percentage for the municipality. This percentage was then multiplied by the amount of money allocated to the 90-day Vacancies, \$1,380,063 (33% of \$4,140,190).

To calculate the Subprime Loan Rate, the number of subprime loans for each municipality was divided by the total number of County subprime loans, creating a subprime loan percentage for the municipality. This percentage was then multiplied by the amount of money allocated to the subprime loan, \$1,380,063 (33% of \$4,140,190).

Allocations for each indicator are able to be weighted by adjusting the amount of money dedicated to each indicator.

For the Neighborhood Stabilization Program, HUD requires at least 25% of the total allocation (For Adams County: \$1,150,052.75) be used specifically to aid those who have median incomes below 50% of the area median income (AMI). ACCD has used the above formula to allocate both the Non 50% AMI and 50% AMI piece of the total allocations to each municipality. This does not change the total for each municipality, but rather indicates how much each municipality must spend towards the 50% AMI requirement for its allocation.

**Table 7.1 Adams County Neighborhood Stabilization Program Municipal Allocations**

Jurisdiction	Non 50% AMI Allocation	50% AMI Allocation	Total Allocation
Brighton	\$287,009.03	\$110,388.09	\$397,397.12
Commerce City	\$319,842.07	\$123,016.18	\$442,858.25
Federal Heights	\$98,558.77	\$37,907.22	\$136,465.99
Northglenn	\$279,194.57	\$107,382.53	\$386,577.10
Thornton	\$892,948.50	\$343,441.73	\$1,236,390.23
Unincorporated Adams County	\$1,112,584.20	\$427,917.00	\$1,540,501.21
		Administration (10%)	\$460,021.10
		<b>Total</b>	<b>\$4,600,211.00</b>





**Table 7.2 Adams County Neighborhood Stabilization Program Municipal Allocations**  
**Adams County Neighborhood Stabilization Program**  
**Non 50% AMI Portion**

**2008 Fund Allocation**

HUD Funding Level:		\$4,600,211			
50% AMI Funding Amt	\$1,150,052.75				
Balance:	\$2,990,137.15	Admin Funding	\$460,021.10		
Foreclosure Rate Factor:	33%	Vacancy Factor:	33%	Subprime Loan Factor:	33%
Allocation:	\$996,712.38	Allocation:	\$996,712.38	Allocation:	\$996,712.38

Jurisdiction	# of Foreclosures	% of Total County Foreclosures	Allocation Based (33%)	Total 90 Day Vacancies	% of Total County Vacancies	Allocation Based (33%)	Total Number of Subprime Loans	% of Total County Subprime Loans	Allocation Based (33%)	Total Allocation
Brighton	646	11.39%	\$113,538	252	6.49%	\$64,702	1773	10.91%	\$108,769	287,009.03
Commerce City	621	11.0%	\$109,144	467	12.03%	\$119,903	1480	9.11%	\$90,794	319,842.07
Federal Heights	71	1.3%	\$12,479	287	7.39%	\$73,688	202	1.24%	\$12,392	98,558.77
Northglenn	526	9.3%	\$92,448	373	9.61%	\$95,769	1483	9.13%	\$90,978	279,194.57
Thornton	1606	28.3%	\$282,264	1169	30.11%	\$300,143	5062	31.16%	\$310,541	892,948.50
Unincorporated Adams County	2,201	38.8%	\$386,839	1334	34.36%	\$342,508	6,247	38.45%	\$383,238	1,112,584.21
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>\$996,712</b>	<b>3,882</b>	<b>100.0%</b>	<b>\$996,712</b>	<b>16,247</b>	<b>100.00%</b>	<b>\$996,712</b>	<b>2,990,137.15</b>

**Table 7.3 Adams County Neighborhood Stabilization Program Municipal Allocations**  
**Adams County Neighborhood Stabilization Program**  
**50% AMI Portion**

**2008 Fund Allocation**

HUD Funding Level: \$4,600,211  
 50% AMI Funding Amt \$1,150,052.75  
 Foreclosure Rate Factor: 33%  
 Allocation: \$383,350.92

Admin Funding Vacancy Factor: 33%  
 Allocation: \$383,350.92

Subprime Loan Factor: 33%  
 Allocation: \$383,350.92

Jurisdiction	# of Foreclosures	% of Total County Foreclosures	Allocation Based (33%)	Total 90 Day Vacancies	% of Total County Vacancies	Allocation Based (33%)	Total Number of Subprime Loans	% of Total County Subprime Loans	Allocation Based (33%)	Total Allocation
Brighton	646	11.39%	\$43,669	252	6.49%	\$24,885	1773	10.91%	\$41,834	110,388.09
Commerce City	621	11.0%	\$41,979	467	12.03%	\$46,117	1480	9.11%	\$34,921	123,016.18
Federal Heights	71	1.3%	\$4,799	287	7.39%	\$28,342	202	1.24%	\$4,766	37,907.22
Northglenn	526	9.3%	\$35,557	373	9.61%	\$36,834	1483	9.13%	\$34,992	107,382.53
Thornton	1606	28.3%	\$108,563	1169	30.11%	\$115,440	5062	31.16%	\$119,439	343,441.73
Unincorporated Adams County	2,201	38.8%	\$148,784	1334	34.36%	\$131,734	6,247	38.45%	\$147,399	427,917.00
<b>Total</b>	<b>5,671</b>	<b>100.0%</b>	<b>\$383,351</b>	<b>3,882</b>	<b>100.0%</b>	<b>\$383,351</b>	<b>16,247</b>	<b>100.00%</b>	<b>\$383,351</b>	<b>1,150,052.75</b>

# CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds  $\leq$  120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-

income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

**ADAMS COUNTY COMMUNITY  
DEVELOPMENT  
Citizen Comment Period on  
Neighborhood Stabilization  
Program Substantial Amendment**

Adams County Community Development has prepared a 2008 Substantial Amendment to its five-year Consolidated Plan and annual Action Plan for the Department of Housing and Urban Development (HUD) and is making it available for citizen comment. The Substantial Amendment is pursuant to the HUD's Neighborhood Stabilization Program (NSP) of the Housing and Economic Recovery Act, of which Adams County has received \$4,500,211 to address the issues of foreclosure and neighborhood stabilization throughout the County.

These funds benefit the Adams County entitlement area and citizens who are low- to 120% area median income. The Adams County NSP allocation includes unincorporated Adams County and the cities of Bennett, Brighton, Commerce City, Federal Heights, Northglenn, and Thornton.

The 2008 NSP Substantial Amendment is available for review at the following location:

**Adams County Community  
Development  
12206 N. Peoria Street - 2nd Floor  
Westminster, CO 80034  
(303) 453-2500  
Fax (303) 453-2505  
Office Hours: 9:00 a.m. - 4:00 p.m.  
Monday - Friday  
[www.co.adams.gov](http://www.co.adams.gov)**

Citizens can make comments by telephone, in writing, by fax, or email to Michael Wirth at [mwirth@co.adams.co.us](mailto:mwirth@co.adams.co.us). Citizen comments will be taken from November 14th - November 28th, 2008.

Published in the  
Northglenn-Thornton Sentinel  
November 13, 2008  
60504-171

# NSP Substantial Amendment Checklist

*For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.*

## Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): _____ Lead Agency Jurisdiction Web Address: <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Address: Telephone: Fax: Email:
---	---

The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

**A. AREAS OF GREATEST NEED**

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction?

Yes  No . Verification found on page 2 & 3.

**B. DISTRIBUTION AND USES OF FUNDS**

Does the submission contain a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes  No . Verification found on page 7.

**Note:** The grantee’s narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

**C. DEFINITIONS AND DESCRIPTIONS**

For the purposes of the NSP, do the narratives include:

- a definition of “blighted structure” in the context of state or local law,  
 Yes  No . Verification found on page 10.
- a definition of “affordable rents,”  
 Yes  No . Verification found on page 10.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,  
 Yes  No . Verification found on page 10.

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

Yes  No . Verification found on page 12.

**D. LOW INCOME TARGETING**

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?

Yes  No . Verification found on page 12.

- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?

Yes  No . Verification found on page 12.  
Amount budgeted = \$ 1,150,052.75.

**E. ACQUISITIONS & RELOCATION**

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes  No . (If no, continue to next heading)  
Verification found on page 13.

If so, does the substantial amendment include:

- 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?

Yes  No . Verification found on page 13.

- 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)?

Yes  No . Verification found on page 13.

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?

Yes  No . Verification found on page 13.

**F. PUBLIC COMMENT PERIOD**

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes  No . Verification found on page 13-40.

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

Yes  No  Verification found on page 45-47.

**G. INFORMATION BY ACTIVITY**

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,  
Yes  No  Verification found on page 13-27.
- correlated eligible activity under CDBG,  
Yes  No  Verification found on page 13-27.
- the areas of greatest need addressed by the activity or activities,  
Yes  No  Verification found on page 13-27.
- expected benefit to income-qualified persons or households or areas,  
Yes  No  Verification found on page 13-27.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?  
Yes  No  Verification found on page 13-27.
- appropriate performance measures for the activity,  
Yes  No  Verification found on page 13-27.
- amount of funds budgeted for the activity,  
Yes  No  Verification found on page 13-27.
- the name, location and contact information for the entity that will carry out the activity,  
Yes  No  Verification found on page 13-27.
- expected start and end dates of the activity?  
Yes  No  Verification found on page 13-27.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,  
Yes  No  Verification found on page 13-27.
- If the activity provides financing, the range of interest rates (if any),  
Yes  No  Verification found on page 15.
- If the activity provides housing, duration or term of assistance, Yes   
No  Verification found on page 13-27.
- tenure of beneficiaries (e.g., rental or homeownership),  
Yes  No  Verification found on page 13-27.



- does it ensure continued affordability?  
 Yes  No . Verification found on page 13-27.

**H. CERTIFICATIONS**

The following certifications are complete and accurate:

- |  |   |                             |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation                             | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan   | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds $\leq$ 120 of AMI                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force                                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures           | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

# Attachment A

## Public Comments Received

11/19/2008

- 1) The Adams County Housing Authority (ACHA) submits the following comments in response to Adams County's publication of their Neighborhood Stabilization Program (NSP) Substantial Amendment:
  - In reading the County's NSP plan, the Housing Authority noticed there is no process outlined to award funds to other agencies that will play a part in implementing the various activities. Given ACHA's experience and organizational capacity, we are well-positioned to assist the County with its proposed programs. In its NSP plan, however, the County has not indicated whether it intends to carry out all of these activities itself or whether it will issue a Request for Proposals to choose partner agencies or whether it has another plan in mind. ACHA would like to see some clarification of this process in the final NSP plan.
  - Another of the Housing Authority's concerns involves the lack of any description about how program income will be handled for this program. While the legislation calls for program income to be reinvested in the program in order to maximize its impact, the County's plan does not provide guidance about whether the County will retain and reinvest all program income or whether it will allow partner agencies to reinvest the program income they've generated in continuing their programs.
  - ACHA is concerned about the County's definition of affordable rents as "30% of the household's adjusted income, less utility allowances as adopted by the Adams County Housing Authority for the Section 8 program, as appropriate." While ACHA agrees with the County's intent to set rent at levels affordable to low-income households, our experience with the Section 8 program has shown that tying rent to income can be a heavy administrative burden. Since the rental activities for the County's NSP program are targeted to those earning at or below 50% of the Area Median Income (AMI), ACHA suggests affordable rent be defined as 30% of the 50% of AMI. By creating a standard rent level based on AMI rather than individual household income, it will facilitate compliance as well as financing, since projecting revenue will be much less difficult.
  - In Section G, NSP Information by Activity, the Housing Authority noticed that when the total budgets for each activity are added together, the amount (\$4,715,216.29) exceeds the County's award (\$4,600,211). These budget numbers should be adjusted to reflect the amount actually available to the County.

Overall, the Housing Authority agrees with the types of activities and distribution of funding outlined by Adams County in their NSP Substantial Amendment. We look forward to working with the County to assist those neighborhoods and communities that have been severely impacted by the current foreclosure crisis and restoring stability and growth in those areas.

### **Response: Adams County Community Development**

Adams County Community Development (ACCD) greatly appreciates this feedback. In response to their comments:

- 1) ACCD had, as of time of original submittal, not determined a proper mode of contracting the program. This was addressed in response to final edits after HUD review.
  - 2) ACCD had, as of time of original submittal, not specified it a plan to reinvest program income. This was addressed in response to final edits after HUD review.
  - 3) ACCD will consider ACHA's proposal of the rent level to based on 30% of the 50% AMI.
  - 4) ACCD addressed these budgeting issues within the Substantial Amendment before original submittal on December 1<sup>st</sup>, 2008. The minor mathematical changes were considered insufficient to require re-ratification of the plan as a whole.
- 

**11/13/2008**

2) Mr. Frausto: It was nice talking with you today. I appreciate your taking the time to explain to a novice what is planned for NSP. My proposal is a little more `complex than I mentioned on the phone.

You may not know this, but when a property is foreclosed on and it goes to sale the lender foreclosing has to present their bid to the county public trustee. The bid is presented on Monday and the property goes to sale on Wednesday. In Adams County there are many bids that are less than the lender's loan balance (deficiency bids). These can be from a few thousand dollars to hundreds of thousands of dollars. Fairly often you can pick up a property that sold two years ago for \$150,000 for \$75,000. If there is a second mortgage holder they would have to file an Intent to Redeem to protect their position and if they didn't do this they would have no further rights to this property as their collateral. This oftentimes provides for the purchase of a property at a wholesale price.

My suggestion is that the NSP funds be used by a non-profit to pick up a property at this time (one that has been abandoned and is a neighborhood eyesore) and the non-profit would fix up the property, lease it to a responsible tenant, refinance the property with a third party lender and pay the government back. Ideally this could be a cycle of three months and then the money could be used for another property.

This would work well because you are picking up the property at far less than its current market value, fixing it up to add more value and because you are in it for such a low figure, you can lease for a price that is affordable to the lower income population. You could even throw in there that the non-profit can't sell the property at a profit, or that any profit goes back to the community.

### **Response: Adams County Community Development**

Adams County Community Development (ACCD) greatly appreciates this feedback. In response to this comment:

During the contractor procurement process, the capacity at which a firm will be able to provide services in the most cost-effective manner will be of strong consideration to the selection committee.

---

**11/19/2008**

- 3) Senior Staff at the City of Federal Heights has initially identified a handful of projects that we believe would be a good fit with the intent and scope of the NSP HERA funding. These projects are located in three adjacent Census tracts and we believe all three tracts could easily meet the parameters of areas of greatest need. Staff would like the opportunity to present all of these potential projects to our elected leadership and have our public officials direct us to work on the single project which would provide the greatest positive impact on neighborhood stabilization for our community. Federal Heights would like to include Census Tracts 9318 and 9320 as well as 9319 in the areas under consideration for these funds.

### **Response: Adams County Community Development**

Adams County Community Development (ACCD) greatly appreciates this feedback. In response to this comment:

ACCD addressed these budgeting issues within the Substantial Amendment before original submittal on December 1<sup>st</sup>, 2008. The minor addition to the NSP Substantial Amendment were not a matter of County Commissioner concern, as they were instituted by the City of Federal Heights and were considered insufficient to require re-ratification of the plan as a whole.

---

**11/26/2008**

- 4) Just a comment on the Adams County NSP plan:

On page 15, last paragraph, the amendment says that the primary activities for the 25% money for those at or below 50% AMI will be for special needs clients. I think it is important also to note that the 25% money can be used for self-help home ownership.

Habitat for Humanity works only with folks whose income is at or below 50% AMI. I would like to see that paragraph broadened to include acquisition/demolition/new construction of foreclosed, blighted homes for homeownership for those who are at or below 50% AMI. (This subject is also discussed on page 7.)

Acquisition and relocation is also addressed on page 9. In working with Habitat 100% of the families would be at or below 50% AMI.

As I had mentioned before, we are anxious to work with you in neighborhoods that you are targeting so that we can have more of an impact by cooperating with others.

**Response: Adams County Community Development**

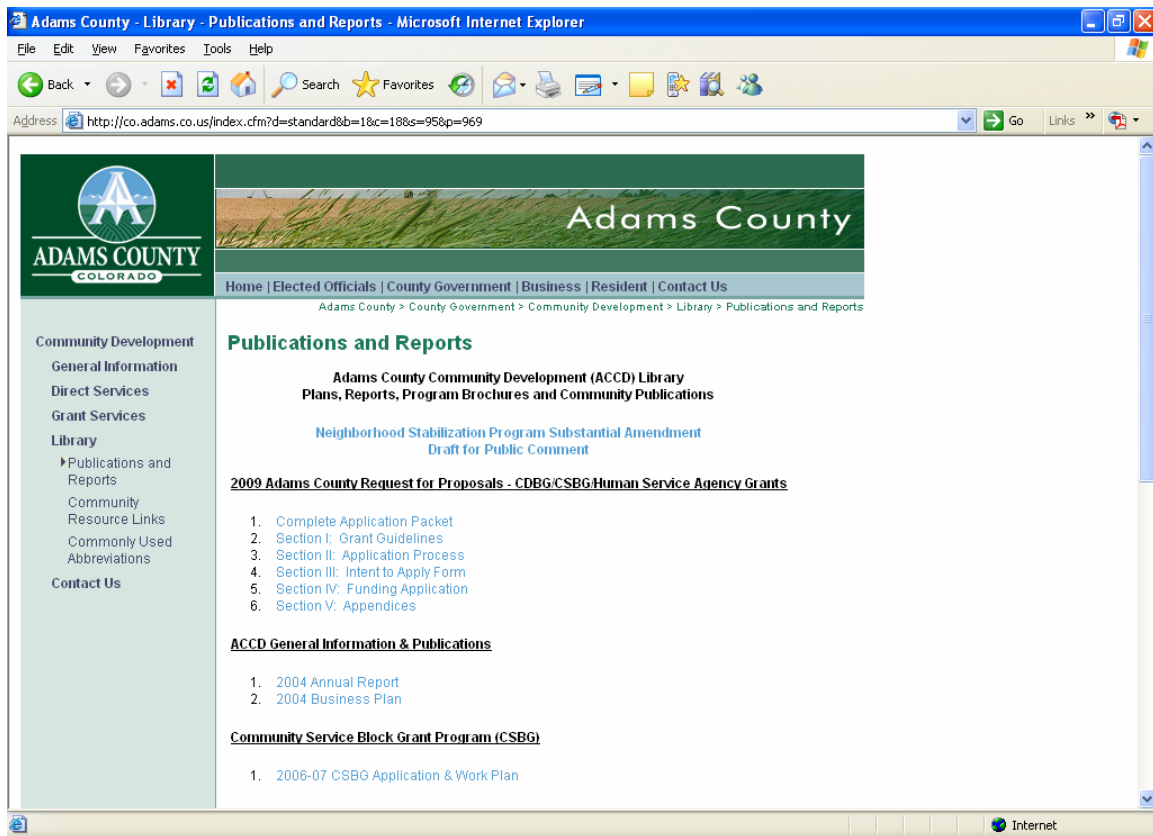
Adams County Community Development (ACCD) greatly appreciates this feedback. In response to this comment:

As the comment discusses issues already addressed by the NSP Substantial Amendment, ACCD did not feel the need to make changes based on this comment, but similar changes were later made after original HUD review

---

# Attachment B

Copy of website posting and page:



[http://co.adams.co.us/documents/page/community\\_development/NSP\\_Substantial\\_Amendment.pdf](http://co.adams.co.us/documents/page/community_development/NSP_Substantial_Amendment.pdf)

# Allocations For Colorado

State	Name	Government Level	Allocation
CO	Colorado	State Energy Office	\$9,593,500
CO	Arvada	City	\$951,900
CO	Aurora	City	\$2,851,300
CO	Boulder	City	\$1,017,800
CO	Broomfield	City	\$516,600
CO	Castle Rock	City	\$174,800
CO	Centennial	City	\$922,900
CO	Colorado Springs	City	\$3,666,100
CO	Commerce City	City	\$185,200
CO	Denver	City	\$6,079,500
CO	Fort Collins	City	\$1,307,900
CO	Gr Junction	City	\$229,800
CO	Greeley	City	\$869,100
CO	Lakewood	City	\$1,326,100
CO	Littleton	City	\$182,500
CO	Longmont	City	\$785,100
CO	Loveland	City	\$606,400
CO	Parker	City	\$172,400
CO	Pueblo	City	\$1,007,000
CO	Thornton	City	\$965,500
CO	Westminster	City	\$952,800
CO	Adams	County	\$683,800
CO	Arapahoe	County	\$633,000
CO	Boulder	County	\$462,200
CO	Douglas	County	\$757,800
CO	El Paso	County	\$1,937,700
CO	Garfield	County	\$227,500
CO	Jefferson	County	\$2,212,100
CO	Larimer	County	\$364,200
CO	Mesa	County	\$359,800
CO	Weld	County	\$616,400