

PUBLIC NOTICE

STATE OF WEST VIRGINIA HUD NEIGHBORHOOD STABILIZATION FY 2010 ACTION PLAN SUBSTANTIAL AMENDMENT NUMBER TWO

As required by Section 104(d) of the Housing and Community Development Act and 24 CFR Part 91.115 as modified by NSP requirements, the State is providing opportunity to comment on the Draft Substantial Amendment Number 2 to the FY 2010 Consolidated Action Plan. This substantial amendment outlines the use of the HUD Neighborhood Stabilization Program 3 (NSP3) funds by adding an activity to the NSP3 program. We anticipate these funds to be available in calendar year 2013. A 15-day review and comment period begins on, April 19, 2013, and concludes on May 6, 2013.

The Community Development Division of the West Virginia Development Office has prepared this Draft Substantial Amendment Number 2 of the FY2010 Action Plan. This draft may be reviewed online at www.wvdo.org/downloads under HUD Neighborhood Stabilization Program or at the following location during normal business hours:

West Virginia Development Office
State Capitol Complex, Building 6, Room 553
Charleston, West Virginia 25305-0311
Telephone and TDD 304 558-2234

To be considered in the final report, written comments must be received in the West Virginia Development Office, Community Development Division, by the close of business on May 6, 2013, at the above address (Attention: Kelly Workman) or by email to Kelly.A.Workman@wv.gov.

It is a policy of the West Virginia Development Office not to discriminate on the basis of race, color, national origin, sex, religion, age, and handicapped status in employment or the provision of services.





Instructions for Completing the NSP3 Substantial Amendment or Abbreviated Action Plan



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Part I. Overview

On October 19, 2010, HUD released the NSP3 Notice with the requirements for the new allocation of NSP funds that were authorized in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Act provides \$970 million in new NSP funds to states and local governments to continue to assist in the redevelopment of abandoned and foreclosed homes. These Instructions should be used to complete the required submissions for NSP3 funding. An optional template is also included in Part III of these instructions to assist NSP3 grantees in completing Substantial Amendments (for states and entitlement communities) or Abbreviated Plans (non-entitlement communities).

1. General Information and Deadlines

Notice

NSP3 grantees can download the NSP3 Notice at:

<http://hudnsphelp.info/index.cfm?do=viewResource&ResourceID=790>. Before beginning work on the NSP3 Action Plan, grantees are strongly encouraged to download and read the Notice in its entirety. A webinar on the NSP3 Notice was held on October 19th 2010 and can be used as supplemental guidance. NSP3 grantees can download the webinar transcript and power point presentation at: <http://hudnsphelp.info/learning/index.cfm?do=viewLearningCenter>.

Forms of Submission

All local and state entitlement jurisdictions must submit a **Substantial Amendment** to their current HUD approved Consolidated Plan and 2010 Annual Action Plan describing their NSP3 program. Non-entitlement jurisdictions that do not have a HUD approved Consolidated Plan must submit an **Abbreviated Plan** describing their NSP3 program. The Abbreviated Plan must include all the required elements that entitlement communities provide as part of the NSP3 Action Plan.

NOTE: Throughout these instructions the term "Action Plan" is sometimes used to refer to "Substantial Amendment or Abbreviated Plan."

Grantees can submit their Action Plan one of two ways:

- Electronically through the Disaster Recovery Grant Reporting system (DRGR)
- Paper submission (electronic versions of paper submissions should be sent via email to the local HUD field office)

Grantees should contact their local field office for the DRGR submission directions. Paper submissions are allowed but each grantee must set up its action plan in DRGR prior to the deadline for the first required performance report after receiving a grant.

Due Date

The NSP3 Action Plan incorporating all public comments is due to each grantee's designated HUD field office representative no later than **March 1, 2011**. A list of NSP3 grantees and the designated field offices can be found on the NSP Resource Exchange Website (www.hud.gov/nspta) by clicking on "Grantees" at the top of the web page. Failure to submit a substantially complete application by March 1, 2011 or submitting an application for less than the total allocation amount will result in a cancellation of all or part of the allocation amount. For local jurisdictions, the funds will be reallocated to the state in which the jurisdiction is located. For states or insular areas, the funds will be reallocated to the ten highest-need states based on original rankings of need.

Joint Implementation

There are three options for jurisdictions if they are interested in implementing a joint program:

- **Option 1:** Jurisdictions may cooperate to carry out their grant programs through a joint request to HUD. HUD is providing regulatory waivers and alternative requirements to allow joint requests among units of general local government and to allow joint requests between units of general local government and a state. Grantees that want to consider joint implementation with another jurisdiction should consult the Notice for further details and contact their local field office as soon as possible for technical guidance on how to complete the NSP3 action plan.
- **Option 2:** Any existing cooperation agreements between a local government and an urban county governing FY2010 CDBG funding (for purposes of either an urban county or a joint program) automatically cover NSP funding.
- **Option 3:** A jurisdiction may choose to apply for its entire grant, and then enter into a subrecipient agreement with another jurisdiction or nonprofit entity to administer the grant. In this manner, for example, all of the grantees operating in a single metropolitan area could designate the same land-bank entity (or the state housing finance agency) as a subrecipient for some or all of their NSP activities.

Submission Format

The Action Plan has nine required sections. The instructions for completing each of these sections is included in **Part II. Required Sections and Information**. Each section includes an explanation of the required topics that must be covered and where applicable, where it is required to provide the information in a particular format. An optional template recommended for submission of NSP3 Action Plans is included in **Part III. Submitting Your NSP3 Action Plan**. Grantees are also required to submit a map of their Areas of Greatest Need in the format described in Part II.

Page Limits

An adequate and acceptable Substantial Amendment or Abbreviated Plan should be no longer than 25 pages. Grantees may incorporate additional information, such as detailed rehabilitation standards, by referencing a website in their plans where the information is posted.

Designing Your NSP3 Action Plan

NSP3 Action Plans are intended to reflect the community's vision of how it can make its neighborhoods not only more stable, but also more sustainable, inclusive, competitive, and integrated into the overall metropolitan fabric, including access to transit, affordable housing, employers, and services. HUD has also published the **NSP3 Program Design Guidebook** to assist grantees with design strategies based on

local market conditions and grantee capacity. This guidebook is available on the NSP Resource Exchange (www.hud.gov/nspta).

Where to go for Assistance

Grantees are strongly encouraged to contact their field office representative if they have any questions, concerns or need advice while completing their NSP3 Action Plan.

Part II. Required Sections and Information

Below is a list of required sections and information that must be included in the NSP3 Action Plan.

- | | |
|---------------------------------|--------------------------------|
| 1. NSP3 Grantee Information | 5. Acquisition and Relocation |
| 2. Areas of Greatest Need | 6. Public Comment |
| 3. Definitions and Descriptions | 7. NSP Information by Activity |
| 4. Low-Income Targeting | 8. Certifications |

Each required section and the information that must be included in each section are explained below.

1. NSP3 Grantee Information

All NSP3 grantees are required to provide the contact information for the grantee program administrator so that citizens and other interested parties know whom to contact for additional information.

2. Areas of Greatest Need

In this section, grantees identify the specific geography where they expect to carry out their NSP3 program. Each grantee must use the HUD Foreclosure Need website (<http://www.huduser.org/portal/datasets/NSP.html>) to submit to HUD the locations of its NSP3 areas of greatest need. On this site, HUD provides estimates of foreclosure need and a foreclosure related needs scores at the Census Tract level. The scores range from 1 to 20, with a score of 20 indicating census tracts with the HUD-estimated greatest need. The HUDuser site provides additional information and instructions.

The neighborhood or neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. HUD will provide the minimum threshold for each state at its website at www.hud.gov/NSP. If more than one neighborhood is identified in the Action Plan, HUD will average the neighborhood NSP3 scores, weighting the scores by the estimated number of housing units in each identified neighborhood. HUD is developing a new tool to allow communities to assess the weighted average score of multiple target areas. This will be available soon on the Mapping site.

Map Submission

The Areas of Greatest Need map should be created by following the instructions at the HUD NSP3 Mapping Tool for Preparing Action Plan website at <http://www.huduser.org/NSP/NSP3.html>. The tool assists NSP3 applicants to prepare data to provide to citizens during the public comment period and to submit with their grant application by allowing applicants to draw the exact location of their target neighborhood. The tool then calculates the number of housing units, Neighborhood NSP3 Score, and State Minimum threshold NSP3 score of the area drawn and sends an email back to the applicant within 24 hours. The email has an attachment containing the necessary data for the NSP3 application, along with information HUD can use to confirm the intended program area. This document should be included with the Action Plan submission to HUD due no later than March 1, 2011.

Information for States

States must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink to the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.

3. Definitions and Descriptions

There are some definitions and descriptions that must be included in the NSP3 Action Plan. These definitions and descriptions are to be determined by the grantee and applied to all properties assisted with NSP3 funds. Listed below are the terms that must be defined in your NSP3 Action Plan.

- **Blighted Structures:** Most states and localities have official statutes or regulations that define "blighted" structure for that jurisdiction. If there is no definition of "blighted structure" to be found in state or local law, grantees must determine an alternate definition and apply it consistently throughout the NSP3 program. Under NSP, structures must be "blighted" to qualify for demolition, which is why defining the term is so important for NSP grantees.
- **Affordable Rents:** Grantees may use the definition adopted for their CDBG or HOME programs but should carefully review their existing definition to ensure compliance with NSP and its specific requirements including continued affordability. HOME program standards can be used as a safe harbor, but if an alternative standard is applied it must be equal to or exceed the HOME standard.
- **Ensuring Continued Affordability:** Under NSP, all grantees are required to adopt a definition of continued affordability that at a minimum is at least as strict as the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254. HOME program standards can be used as a safe harbor, but if an alternative standard is applied it must be equal to or exceed the HOME standard.
- **Applicable Housing Rehabilitation Standards:** The rehabilitation and new construction standards that will apply for NSP-assisted projects must be included in the Action Plan. Specifically, HUD requires that:
 - All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
 - All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).
 - Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such

as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.

- Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.
- Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).

HUD also encourages the adoption of energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notice describes in more detail how energy efficient and environmentally-friendly green elements can be incorporated and additional tools on incorporating green rehabilitation standards can be found on the NSP Resource Exchange at www.hud.gov/nspta.

4. Low-Income Targeting

NSP3 grantees are required to allocate at least 25 percent of their NSP3 funding allocation to housing for individuals and families with incomes at or below 50 percent of the area median income. NSP grantees may rehabilitate or redevelop abandoned or foreclosed residential property and vacant or demolished residential or nonresidential property to meet this requirement. This section must:

- Identify the estimated amount of funds appropriated or otherwise made available under the NSP 3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income:
- Provide a summary that describes the manner in which the grantee's low income targeting goals will be met.

5. Acquisition and Relocation

When a grantee or one of its partners acquires a property, there are certain tenant protection requirements that may be applicable under the Tenant Protection Act of 2009 and certain relocation requirements that may be applicable under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. For details on the circumstances that trigger these requirements and the steps that must be taken to ensure compliance, read the *NSP Tenant Protections at Foreclosure Under the Recovery Act* guidance at <http://www.hud.gov/offices/cpd/library/relocation/nsp/pdf/nsp-tenant-protection-8122010.pdf> and the *Real Estate Acquisition and Relocation Policy and Guidance* at <http://www.hud.gov/offices/cpd/library/relocation/policyandguidance/handbook1378.cfm>.

6. Public Comment

NSP3 grantees are required to follow their citizen participation process as described in the Consolidated Plan and as modified by the NSP3 Notice in order to ensure the public is aware of the NSP3 substantial amendment. Non-entitlement grantees must follow the same abbreviated citizen participation requirements as NSP3 entitlement grantees.

A grantee's proposed NSP3 Action Plan must be published and posted on the jurisdiction's website for no less than 15 calendar days for public comment. NSP3 grantees should provide a summary of all public comments in an appendix attached to the Action Plan that is submitted to HUD.

7. NSP Information by Activity

Grantees must describe the activities they plan to implement with their NSP3 awards in the NSP3 Action Plans submitted to HUD. The following information must be included by activity:

- Eligible CDBG activity or activities
- Eligible use of funds under NSP3
- Brief description of the activity and the general terms under which assistance will be provided including:
 - how the activity will address local housing market conditions
 - range of interest rates (if any)
 - duration or term of assistance
 - tenure of beneficiaries (e.g. renters or homeowners)
 - expected benefit to income-qualified persons or households or areas
 - if the activity produces housing, how the design of the activity will ensure continued affordability
 - how the grantee shall, to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project including information on existing local ordinances that address these requirements
 - the procedures used to create preferences for the development of affordable rental housing developed with NSP3 funds
- Areas of greatest need addressed by the activity or activities
- Amount of funds budgeted for the activity
- Appropriate performance measures for the activity (e.g. units of housing to be acquired rehabilitated or demolished for the income levels represented in DRGR)
- Expected start and end dates of the activity
- Name and location of the entity that will carry out the activity

Figure 2-1 provides a summary of eligible uses for NSP3 funds and the correlated CDBG eligible activities that can be used under NSP3.

Figure 2-1: Eligible Uses for NSP3 Funds and Correlated CDBG Eligible Activities

NSP Eligible Uses	Correlated Eligible Activities From the CDBG Entitlement Regulations
(A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers	As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.
(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	24 CFR 570.201(a) Acquisition (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost
(C) Establish and operate land banks for homes and residential properties that have been foreclosed upon	24 CFR 570.201(a) Acquisition and (b) Disposition. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost
(D) Demolish blighted structures	24 CFR 570.201(d) Clearance for blighted structures only.
(E) Redevelop demolished or vacant properties as housing	24 CFR 570.201(a) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties, (i) Relocation, and (n) Direct homeownership assistance (as modified below). 24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties. 24 CFR 570.204 Community based development organizations. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost. New construction of housing is eligible as part of the redevelopment of demolished or vacant properties.

8. Certifications

The certification forms located in Part III (9) of these instructions must be signed and submitted with the NSP3 Substantial Amendment. Note that there is one set of certifications that must be signed and submitted by state and entitlement communities and another set of certifications that must be signed and submitted by non-entitlement communities.

It is anticipated that grantees will abide by the approved NSP3 Action Plan and the signed certifications. These two documents will be used to measure program compliance as they contain the approved program design and the grantees legal certification to operate a program that is compliant with all applicable federal, state, and local laws, regulations, and executive orders. In order to ensure program compliance, HUD will monitor grantees, using the approved Substantial Amendment or Abbreviated Plans and certifications as a basis for the review. Also, for the purposes of grantee monitoring, HUD will use the applicable chapters and accompanying exhibits that are contained within the *Community Planning and Development Grantee Monitoring Handbook 6509.2* and all applicable laws, regulations, and executive orders. Grantees are strongly encouraged to maintain a level of documentation that sufficiently demonstrates compliance with all program requirements. Grantees are reminded that they have certified their administration of NSP-3 funds, and are therefore held accountable for the use of those funds and the compliance with all of the program requirements. Moreover, HUD will use the monitoring review as an opportunity for grantees to demonstrate compliance. If HUD finds any noncompliance issues pertaining to the administration of NSP-3 funding, HUD will address any concerns and/or findings, seek remedies for noncompliance, and if needed may exercise sanction authority and/or notify the Office of the Inspector General of any known or suspected cases of fraud, waste and abuse.

The NSP3 allocation included statutory language requiring grantees to —establish procedures to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds. HUD is requiring grantees to describe such procedures as part of their substantial amendments or abbreviated plans.

Grantees also must, to the maximum extent feasible, provide for the hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects. For the purposes of administering this requirement, HUD is adopting the Section 3 applicability thresholds for community development assistance at 24 CFR 135.3(a)(3)(ii). Note that the NSP3 local hiring requirement does not replace the responsibilities of grantees under Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135, except to the extent the obligations may be in direct conflict. For the purposes of NSP3, HUD defines vicinity as each neighborhood identified by the NSP3 grantee as being the areas of greatest need.

Part III. NSP3 Action Plan

Below is an optional template recommended for submission of the NSP3 Action Plan. Please follow the instructions below to enable document protection so that the fillable fields, text boxes, and check boxes included in this template can be used. When these protections are enabled, the rest of the document is not editable.

If you are not sure how to fill in a particular field, click once to place your cursor in the field and then press F1.

If using this template, please note that the map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website and a summary of public comments should be included as attachments.

Enabling Protection in Word 2007

1. Click the round Office button on the top left-hand corner of the menu.
2. Click on the "Word Options" button at the bottom of the dropdown.
3. The "Popular" menu item should be selected by default. In this menu, click on the third checkbox down -- next to "Show Developer Tab."
4. Click OK.
5. The "Developer" ribbon should now display as the last tab on the ribbon menu. Click on it.
6. Click the "Protect Document" button and click on "Restrict Formatting and Editing" in the dropdown. A menu will appear in the right panel of Word.
7. Click the checkbox next to "Allow only this type of editing in the document."
8. Select "Filling in Forms" from the dropdown below the checkbox.
9. Click on "Yes, Start Enforcing Protection." If this button is greyed out, you are probably in design mode and you will need to exit design mode before you can click the box.
10. A popup box will appear. Click OK. As long as you don't enter a password, no password protection will be applied.

Enabling Protection in Word 2003

1. Click on Tools in the top menu bar.
2. Click on "Protect Document" in the dropdown.
3. A popup box will appear. Follow steps 7 through 10 above.

Deleting Extraneous Activity Number Tables

The template below provides space to enter seven different activities. If you have fewer than seven activities, you should delete the extraneous tables in **Section 8**. To delete an extra table, take the following steps:

- 1) Ensure that the top of the unwanted table is visible on your screen.
- 2) Click one to place the cursor anywhere in the table.
- 3) Click on the crosshatch that appears in either the upper left-hand corner of the table. This should highlight the entire table.
- 4) Press the "Backspace" button on your keyboard. (Do not use the "Delete" button, as this will only delete the content of the table and not the table itself)

1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Workman, Kelly - Manager, Project Development
Email Address	Kelly.A. Workman@wv.gov
Phone Number	304-558-2234
Mailing Address	WV Development Office, Building 6 Room 553, Capitol Complex, Charleston, WV 25305

2. Areas of Greatest Need

Map Submission

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

Data Sources Used to Determine Areas of Greatest Need

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

Response:

The primary data sources used to determine the areas of greatest need are:

- The NSP3 Need Scores for West Virginia
- The amount of funds available for use under NSP3

Determination of Areas of Greatest Need

Describe how the areas of greatest need were established.

Response:

The State of West Virginia has identified the areas of greatest need mainly through the use of data from the HUD Foreclosure Need Website combined with the availability of suitable foreclosed, abandoned, or vacant multi-family properties and commercial properties that can be converted to multi-family rental properties. In particular, the HUD NSP3 Mapping Tool (which identifies an area's Foreclosure Related Needs Score by considering unemployment rates, fall in home values, vacant addresses as reported by the U.S. Postal Service, rates of foreclosures, delinquencies, and subprime loans within a census tract) was used to determine areas that exceed the State's minimum threshold score of 7 as identified by HUD. The use of targeted areas with a Foreclosure Related Needs Score in excess of the State's minimum threshold ensures that only areas which fall in the top 20% of areas most affected by the foreclosure crisis in West Virginia will be considered.

According to the annual report Out of Reach 2010 published by the National Low Income Housing Coalition, the demand for rental housing continues to increase as more and more people are either forced out of ownership due to foreclosure or choose to rent rather than own in light of the tightening credit markets and now-obvious risks involved with home ownership. Approximately 50% of low-income American households are renters who often have lower incomes than owners and pay a larger proportion of their income on housing costs and utilities. This makes them more vulnerable to a weak

job market than traditional homeowners. As a result of the increased number of unemployed and number of households that have been foreclosed upon, a larger number of households will be searching for a decent, affordable place to rent.

Census data show a significant number of renters experience severe housing cost burdens, with housing costs consuming more than 50% of their family income. Federal standards indicate that affordable housing should consume no more than 30% of family income. Data from the Consumer Expenditure Survey (produced by the U.S. Department of Labor, Bureau of Labor Statistics) indicates that families that pay more than half of their income for housing are more likely than others to live in housing with serious physical condition problems. Such problems may include lack of functional plumbing, inadequate heating, or exposed electrical wiring.

The first step in the planning process was to analyze how the NSP1 target areas compared with the NSP3 Need Scores and the State's current foreclosure data. Due to the limited amount of funding, \$5,000,000, that the State anticipates receiving, continuation of development in a NSP1 project area would result in a more significant impact to a neighborhood. The statewide rate of foreclosure remains low when compared to other states; however, concentrations of foreclosures are scattered throughout the State in mostly urban and surrounding rural areas with subprime mortgages, with the highest interest rates generally located in scattered remote parts of the State. Therefore, the State did not utilize a tiered approach. Applicant must identify the area in which their project is located and provide documentation that verifies it is within targeted thresholds (score between 7 – 15) that define an area of greatest need. Applicant must use the HUD user mapping software found at www.hud.gov/nsp. Assistance from this office can be provided upon request.

All NSP3 funds will serve only low- moderate- and middle-income persons (LMMI) as defined in the NSP3 Notice, i.e., < 120% of area median income with at least 25% of funds being used for housing individuals and families whose incomes do not exceed 50% of area median income. The proposed method of distribution will allow maximum impact as required under NSP3 and satisfy the State's goal of administering the NSP3 to provide for, to the extent feasible in a state with both very rural and urban areas, neighborhoods affected by the foreclosure crisis, which will help stabilize and strengthen the local community. In order for the State to fully use the NSP3 funds within the mandated timeframes (expenditure deadline says we have to spend 50% of total allocation in 2 years and 100% total allocation in 3 years), selected subrecipients must demonstrate their proficiency and ability to quickly deliver programs similar to the NSP such as HOME and CDBG. Failure to meet these timelines will result in HUD recapturing the amount of funds not expended or provide for other corrective action(s) or sanction(s).

Due to the time constraints of the NSP, priority emphasis has been established. The projects selected have been determined to be eligible and to meet a national objective acceptable for the NSP3. To the extent applicable, criteria considered during the funding consideration included, but were not limited to: (1) the capacity of the applicant to successfully administer and operate the NSP grant, (2) the degree to which the project will meet the 25% set aside requirement, (3) the availability of the other sources of funding for the project, (4) the readiness of the project to proceed, if funded, (5) the degree to which the project will make a difference in the community, (6) the level to which the project will correct identified deficiencies or achieve compliance with required standards, and (7) other NSP3 considerations. Recipients will use the funds awarded to stabilize neighborhoods whose viability has been and continues to be damaged by the economic effects of abandoned and/or foreclosed properties.

West Virginia selected two (2) potential projects for funding. These projects will augment neighborhood stabilization programs with other Federal, public, and private resources to eliminate destabilizing influences such as blighted homes.

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	As defined in the WV State Code: "Blighted property" means a tract or parcel of land that, by reason of abandonment, dilapidation, age of obsolescence, inadequate provisions for ventilation, light, air, or sanitation, high density of population and overcrowding, deterioration of site or other improvements, or the existence of conditions that endanger life or property by fire or other causes, or any combination of such factors, is detrimental to the public health, safety, or welfare.
Affordable Rents	<p>Subrecipients and Developers will adopt the low HOME rents for renters whose incomes are less than or equal to 50% of Area Median Income (AMI). For those renters whose incomes fall within the > 50% < 120% AMI, the following method to calculate the maximum allowable rents must be calculated as follows: (1) Use the column labeled "2-person" Income from the most current WV NSP Program Income Limits chart for 1-BR (one bedroom) units, the "4-person" for 2-BR units, 6-persons for 3-BR, and 8-persons for 4-BRs; (2) Use the Row labeled "100%" (100% AMI) to find the relevant income; (3) Multiply this identified income times .3 (30%); then (4) Divide by 12 to get monthly maximum allowable rent.</p> <p>Each affected rental project will prepare a proforma using:</p> <ul style="list-style-type: none"> •the Scattered Site Rental Proforma in Exhibit 8 on the WVDO website; •the Subrecipients' proposed gross rent structure including Low Home Rents for set aside units with gross rents reduced by the appropriate (i.e., the utility allowance used by the relevant area's public housing agency) allowance for each project; and •the Subrecipients' estimated expenses and other operating costs including debt service where applicable.

Descriptions

Term	Definition
Long-Term Affordability	Subrecipients and for-profit developers must ensure continued affordability for NSP-assisted housing by the use of WVDO-approved enforceable recorded liens, written agreements, and contracts that ensure, to the maximum extent practical and longest feasible term, property assisted with NSP funds will remain affordable to individuals or families whose incomes do not exceed 120% AMI or, for units originally assisted with funds that meet the 25% set-aside, will remain affordable to individuals and families whose

	<p>incomes do not exceed 50% AMI.</p> <p>The minimum affordability requirements for NSP are:</p> <p>Rental Projects</p> <table> <tr> <th>NSP Subsidy per Unit</th><th>Affordability Period</th></tr> <tr> <td>Less than \$15,000</td><td>5 years</td></tr> <tr> <td>\$15,000 - \$40,000</td><td>10 years</td></tr> <tr> <td>More than \$40,000</td><td>15 years</td></tr> <tr> <td>Acquisition or Building of New Construction Unit</td><td>20 years</td></tr> </table> <p>These are minimum requirements. The subrecipient or for-profit developer may propose to implement more stringent affordability requirements than the minimum listed above to ensure that the properties remain affordable for as long as possible.</p> <p>Rental property owners/managers will be required to document that the units are occupied by income-qualified households during the period of affordability, both upon initial occupancy of the units and each time they are vacated and re-occupied.</p>	NSP Subsidy per Unit	Affordability Period	Less than \$15,000	5 years	\$15,000 - \$40,000	10 years	More than \$40,000	15 years	Acquisition or Building of New Construction Unit	20 years
NSP Subsidy per Unit	Affordability Period										
Less than \$15,000	5 years										
\$15,000 - \$40,000	10 years										
More than \$40,000	15 years										
Acquisition or Building of New Construction Unit	20 years										
Housing Rehabilitation Standards	<p>Rehabilitation of a foreclosed-upon home or residential property shall meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. Standards set forth in the State Building Code (WV Code 87-4-1) will be utilized as the minimum requirements and standards for residential structures and all existing premises, including equipment and facilities for light, ventilation, space, heating, sanitation, protection from the elements, life safety, safety from fire, and other hazards, and for safe and sanitary maintenance.</p>										

4. Low-Income Targeting

Low-Income Set-Aside Amount

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

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response:

Total low-income set-aside **percentage** (must be no less than 25 percent): 25.00%

Total funds set aside for low-income individuals = \$0.00

Meeting Low-Income Target

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

Response:

The total NSP3 allocation for the State of West Virginia is expected to be \$5,000,000, and, of that, at least \$1,250,000 shall be used to target those whose income do not exceed 50% of the local AMI, meeting the set aside mandate. Actual activities used to distribute the NSP3 funds and final line item amounts actually expended will depend upon the investment/development opportunities found within applications.

No less than \$1,250,000 of the total grant, or 25% of the total grant, will be set aside for this purpose.

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

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

Yes

If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	20
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	0
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	16

6. Public Comment

Citizen Participation Plan

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

Response:

The State of West Virginia has published an announcement regarding the appropriation of NSP3 funds and proposed activities included in a draft of the Substantial Amendment in 6 newspapers of general circulation across the State. A copy of the Draft Substantial Amendment is available to the public during a 15-day comment period on the West Virginia Development Office's website located at: <http://www.wvcommerce.org/people/communityresources/applicationsanddownloads/default.aspx>. Notification has also been provided to West Virginia's 11 Regional Planning and Development Councils.

Written comments are invited and will be accepted by sending them to Attn.: Kelly Workman, West Virginia Development Office, Capitol Complex, Building 6, Room 553, Charleston, West Virginia 25305. A summary of any comments received during the 15-day comment period will be included in the Substantial Amendment submitted to HUD.

Summary of Public Comments Received.

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

7. NSP Information by Activity

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

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

Consult the [NSP3 Program Design Guidebook](#) for guidance on completing the "Performance Measures" component of the activity tables below.

Activity Number 1	
Activity Name	Acquisition and Rehabilitation
Uses	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(a) - Acquisition 24 CFR 570.201(i) - Relocation 24 CFR 570.202 - Eligible rehabilitation and preservation activities for homes and other residential properties
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)
Activity Description	This activity will involve the acquisition and rehabilitation of foreclosed multi-family rental property within the census tracts noted under "Location Description." The target area selected for funding will give priority emphasis and consideration to a community in which the NSP3 investment will: (1) Prevent further decline of property values in the surrounding area and become the catalyst of neighborhood stabilization and revitalization; (2) Decrease the number of dilapidated and/or vacant housing units; (3) Attract new residents to the target area; (4) Enhance the affordability of rental housing that will remain desirable for the longest period of time; (5) Increase the availability of energy-efficient rental housing; and (6) Optimize economic activity, to the greatest extent possible, and the

	<p>number of jobs created or retained that will provide other long-term economic benefits.</p> <p>In order to expedite the effective use of NSP3 funds, the State of West Virginia will, at its discretion, award funds to an experienced developer with a proven track record in comprehensive development and management services of multi-family residential rental properties. The developer must have the capacity to identify, acquire, and rehabilitate an eligible property within the area of greatest need in accordance with regulations specified in the NSP3 Notice and the State of West Virginia Substantial Amendment within the statutory expenditure timelines.</p> <p>The developer will be required to propose a plan to correct any lead-based paint and/or environmental hazards, correct code violations, correct mechanical and physical deficiencies, and provide property upgrades and improvements, including Enrgy Star and green building standards, to increase the property value and marketability. The State will require the developer to leverage NSP3 funds with other available resources that are mutually supportive of neighborhood revitalization.</p> <p>Discount Rate: The foreclosed-upon multi-family residential rental property acquired under this NSP3 activity will be at a discount from the current market-appraised value of the property.</p> <p>Relocation: NSP3-assisted property acquisitions shall be in compliance with the requirements set forth under the Tenant Protection Act of 2009 regarding the proper treatment of bona fide tenants and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).</p> <p>Period of Affordability: The duration of the period of affordability for acquisition and rehabilitation of the multi-family residential rental activity shall be determined by a proration of NSP3 to private funds invested in the property per unit.</p> <p>The period of affordability for rental housing will be enforced by a deed restriction and is not related to the term of any loan or mortgage, or any transfer of ownership except that affordability requirements terminate upon foreclosure or transfer in lieu of foreclosure. For purposes of the grant agreement, the Land Use Restriction Agreement shall be one and the same as the Deed Restriction.</p> <p>Duration or Term of Assistance: The duration of the assistance will be regulated by HOME Program affordability requirements outlined in 24 CFR 92.252, as updated annually.</p> <p>Tenure of Beneficiaries: NSP3 funds expended in this activity will be used for rental by beneficiaries whose income does not exceed 50% area median income.</p>
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	<p>Vicinity Hiring: The developer will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of the NSP3 funded project or contract with small businesses that are owned and operated by persons residing in the vicinity of the NSP3 project. For purposes of NSP3, HUD defines "vicinity" as each neighborhood identified by the State of West Virginia as being within the areas of greatest need. "Small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as outlined in 42 U.S.C. 5302(a)(23).</p> <p>Section 3 of the HUD Act of 1968: The developer will develop a plan to provide job training, employment, and contract opportunities for low- or very-low-income residents in connection with the NSP3 project in their neighborhood.</p> <p>Section 504 of the Rehabilitation Act of 1973 The development will comply with Section 504 which prohibits discrimination on the basis of disability in any program service, or activity that receives federal financial assistance. Reasonable efforts will be made to ensure the accessibility of all program services. If the developer has 15 or more employees, a responsible employee will be designated to adopt grievance procedures and notify participants, beneficiaries, applicants, and employees of nondiscriminatory policies.</p> <p>Program Income: Rents generated from NSP3-assisted property in this activity will NOT be considered program income.</p>	
Location Description	Charleston, Kanawha County, West Virginia Census tracts: 540390001001023, 540390001001030, 540390001001031, 540390001001032, and 540390001001033	
Budget	Source of Funding	Dollar Amount
	NSP3	\$3,000,000.00
	(Other funding sources)	\$1,000,000.00
	(Other funding source)	\$
Total Budget for Activity		\$4,000,000.00
Performance Measures	Approximately 28 Households whose incomes are at or below the 50% AMI will benefit from NSP3 funds.	
Projected Start Date	The anticipated start date of this activity will be within 90 days of selecting the property to be funded.	
Projected End Date	The project will end within 3 years of the date funds become available to the State of West Virginia, as defined in the NSP3 Notice	
Responsible Organization	Name	Charleston-Kanawha Housing Authority
	Location	Charleston, West Virginia
	Administrator Contact Info	Mark Taylor, Executive Director mtaylor@charlestonhousing.com (304) 348-6451

Activity Number 2	
Activity Name	Acquisition and Rehabilitation
Uses	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(a) - Acquisition 24 CFR 570.201(i) - Relocation 24 CFR 570.202 - Eligible rehabilitation and preservation activities for homes and other residential properties
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)
Activity Description	<p>This activity will involve the acquisition and rehabilitation of foreclosed multi-family rental property within the census tracts noted under "Location Description." The target area selected for funding will give priority emphasis and consideration to a community in which the NSP3 investment will:</p> <p>(1) Prevent further decline of property values in the surrounding area and become the catalyst of neighborhood stabilization and revitalization; (2) Decrease the number of dilapidated and/or vacant housing units; (3) Attract new residents to the target area; (4) Enhance the affordability of rental housing that will remain desirable for the longest period of time; (5) Increase the availability of energy-efficient rental housing; and (6) Optimize economic activity, to the greatest extent possible, and the number of jobs created or retained that will provide other long-term economic benefits.</p> <p>In order to expedite the effective use of NSP3 funds, the State of West Virginia will, at its discretion, award funds to an experienced developer with a proven track record in comprehensive development and management services of multi-family residential rental properties. The developer must have the capacity to identify, acquire, and rehabilitate an eligible property within the area of greatest need in accordance with regulations specified in the NSP3 Notice and the State of West Virginia Substantial Amendment within the statutory expenditure timelines.</p> <p>The developer will be required to propose a plan to correct any lead-based paint and/or environmental hazards, correct code violations, correct mechanical and physical deficiencies, and provide property upgrades and improvements, including Enrgy Star and green building standards, to increase the property value and marketability. The State will require the developer to leverage NSP3 funds with other available resources that are mutually supportive of neighborhood revitalization.</p> <p>Discount Rate: The foreclosed-upon multi-family residential rental property acquired under this NSP3 activity will be at a discount from the current market-appraised value of the property.</p>

Relocation: NSP3-assisted property acquisitions shall be in compliance with the requirements set forth under the Tenant Protection Act of 2009 regarding the proper treatment of bona fide tenants and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).

Period of Affordability: The duration of the period of affordability for acquisition and rehabilitation of the multi-family residential rental activity shall be determined by a proration of NSP3 to private funds invested in the property per unit.

The period of affordability for rental housing will be enforced by a deed restriction and is not related to the term of any loan or mortgage, or any transfer of ownership except that affordability requirements terminate upon foreclosure or transfer in lieu of foreclosure. For purposes of the grant agreement, the Land Use Restriction Agreement shall be one and the same as the Deed Restriction.

Duration or Term of Assistance: The duration of the assistance will be regulated by HOME Program affordability requirements outlined in 24 CFR 92.252, as updated annually.

Tenure of Beneficiaries: NSP3 funds expended in this activity will be used for rental by beneficiaries whose income does not exceed 50% area median income.

Vicinity Hiring: The developer will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of the NSP3 funded project or contract with small businesses that are owned and operated by persons residing in the vicinity of the NSP3 project. For purposes of NSP3, HUD defines "vicinity" as each neighborhood identified by the State of West Virginia as being within the areas of greatest need. "Small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as outlined in 42 U.S.C. 5302(a)(23).

Section 3 of the HUD Act of 1968: The developer will develop a plan to provide job training, employment, and contract opportunities for low- or very-low-income residents in connection with the NSP3 project in their neighborhood.

Section 504 of the Rehabilitation Act of 1973 The development will comply with Section 504 which prohibits discrimination on the basis of disability in any program service, or activity that receives federal financial assistance. Reasonable efforts will be made to ensure the accessibility of all program services. If the developer has 15 or more employees, a responsible employee will be designated to adopt grievance procedures and notify participants, beneficiaries, applicants, and employees of nondiscriminatory policies.

	Program Income: Rents generated from NSP3-assisted property in this activity will NOT be considered program income.	
Location Description	Charleston, Kanawha County, West Virginia Census tracts: 540390001001023, 540390001001030, 540390001001031, 540390001001032, and 540390001001033	
Budget	Source of Funding	Dollar Amount
	NSP3	\$50,000.00
	(Other funding sources)	\$5,500,000.00
	(Other funding source)	\$
Total Budget for Activity		\$6,000,000.00
Performance Measures	Approximately 11 households whose incomes are at or below the 50% AMI will benefit from NSP3 funds	
Projected Start Date	The anticipated start date of this activity will be within 90 days of selecting the property to be funded.	
Projected End Date	The project will end within 3 years of the date funds become available to the State of West Virginia, as defined in the NSP3 Notice	
Responsible Organization	Name	Charleston-Kanawha Housing Authority
	Location	Charleston, West Virginia
	Administrator Contact Info	Mark Taylor, Executive Director mtaylor@charlestonhousing.com (304) 348-6451

Activity Number 3	
Activity Name	Demolition
Use	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input checked="" type="checkbox"/> Eligible Use C: Land Banking
	<input checked="" type="checkbox"/> Eligible Use D: Demolition
	<input checked="" type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.201(d) - Demolish blighted structures 24 CFR 570.201(a) - Redevelop demolished or vacant properties as housing 24 CFR 570.202 - Eligible rehabilitation and preservation activities for demolished or vacant properties
National Objective	Low Moderate Middle Income Area Benefit (LMMA)
Activity Description	Demolish properties throughout the City of Mount Hope that meet the definition of blight as defined in the West Virginia State Code. Approximately 35 structures have been identified in the City's Community Development Plan. This demolition will make a significant impact toward stabilizing and beautifying the community. Mount Hope has been designated as a "Gateway Community" for the Boy Scout Reserve currently under construction right outside their doorway. This reserve will be bringing a minimum of 100 jobs to the community. Not only is green space needed in the community but the housing stock will need to be increased to accommodate the expanding economic opportunities.

	<p>Since the end use is not totally identified at this time, there is the potential to use eligible uses "C" for Land Bank and "E" for redevelopment. All properties are located within the target area identified on the HUD Mapping Tool. The budget reflected exceeds the 10% allowable under the NSP3 guidelines. However, the State has determined that demolition is an integral part of its program and is in the process of seeking a waiver from HUD to exceed this percentage.</p>	
Location Description	<p>Mount Hope, Fayette County, West Virginia Census tract: 5401992472564040205</p>	
Budget	Source of Funding	Dollar Amount
	NSP3	\$1,450,000.00
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$1,450,000.00	
Performance Measures	(Enter all performance measures here)	
Projected Start Date	The project will start on the day HUD executes its grant agreement with the State of West Virginia.	
Projected End Date	The project will end within 3 years of the date funds become available to the State of West Virginia, as defined in the NSP3 Notice.	
Responsible Organization	Name	City Of Mount Hope
	Location	Mount Hope, West Virginia
	Administrator Contact Info	Mayor Michael Martin (304) 877-2211

Activity Number 4	
Activity Name	Planning and General Administration
Use	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/> Eligible Use C: Land Banking
	<input type="checkbox"/> Eligible Use D: Demolition
	<input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	24 CFR 570.206 (a),(b),(c),(e),(f),(g) - Payment of reasonable administrative costs and carrying charges related to the planning and execution of West Virginia's NSP3 program (not including costs eligible under 24 CFR 570.201 through 24 CFR 570.204, which are eligible as activity costs).
National Objective	Low Moderate Middle Income Housing (LMMH)
Activity Description	<p>The State of West Virginia, WV Development Office, will use up to 10 percent of the NSP3 funds for the planning and administration of program activities. Administrative costs will include staffing for overall program management, reporting, and other direct and indirect charges.</p> <p>In accordance with OMB Circular A-87, Attachment B, paragraph 31, HUD is allowing grantees to incur pre-award costs. Therefore, the State may, at its discretion, allow designated subrecipients to incur pre-award costs with HUD approval. This will be determined prior to the award being made.</p>

Location Description	West Virginia Development Office Building 6 Room 553 Capitol Complex Charleston, WV 25305	
Budget	Source of Funding	Dollar Amount
	NSP3	\$500,000.00
	(Other funding source)	\$0.00
	(Other funding source)	\$0.00
Total Budget for Activity		\$500,000.00
Performance Measures	N/A - Administrative Costs Only	
Projected Start Date	The project will start on the date HUD executes the NSP3 Grant agreement with the State of WV.	
Projected End Date	The project will end within 3 years of the date funds become available to the State of WV, as defined in the NSP3 Notice.	
Responsible Organization	Name	West Virginia Development Office
	Location	Building 6 Room 553 Capitol Complex Charleston, WV 25305
	Administrator Contact Info	Kelly Workman Manager, Project Development 304-558-2234; Kelly.A.Workman@wv.gov

8. Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

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

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

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

(6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.

(7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

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

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

(11) **The jurisdiction certifies:**

- a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
- b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

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

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

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

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

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

Signature/Authorized Official

Date

Title

Certifications for Non-Entitlement Local Governments

- (1) **Affirmatively further fair housing.** The jurisdiction certifies that it will affirmatively further fair housing.
- (2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.
- (7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (9) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (10) **The jurisdiction certifies:**
 - a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
 - b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public

improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(11) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

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

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

(14) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.

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

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

Signature/Authorized Official

Date

Title

Neighborhood ID: 3510101

NSP3 Planning Data

Grantee ID: 5499990N

Grantee State: WV

Grantee Name: WV NONENTITLEMENT

Grantee Address:

Grantee Email: james.s.marshall@wv.gov

Neighborhood Name: CRH8

Date:2013-04-02 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 7

State Minimum Threshold NSP3 Score: 7

Total Housing Units in Neighborhood: 54

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 88.5

Percent Persons Less than 80% AMI: 63.2

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 53

Residential Addresses Vacant 90 or more days (USPS, March 2010): 5

Residential Addresses NoStat (USPS, March 2010): 1

Foreclosure Estimates

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

Total Housing Units to receive a mortgage between 2004 and 2007: 4

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 43.8

Percent of Housing Units 90 or more days delinquent or in foreclosure: 8.5

Number of Foreclosure Starts in past year: 0

Number of Housing Units Real Estate Owned July 2009 to June 2010: 0

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

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 0

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -2.1

Place (if place over 20,000) or county unemployment rate June 2005*: 4.1

Place (if place over 20,000) or county unemployment rate June 2010*: 8.8

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

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

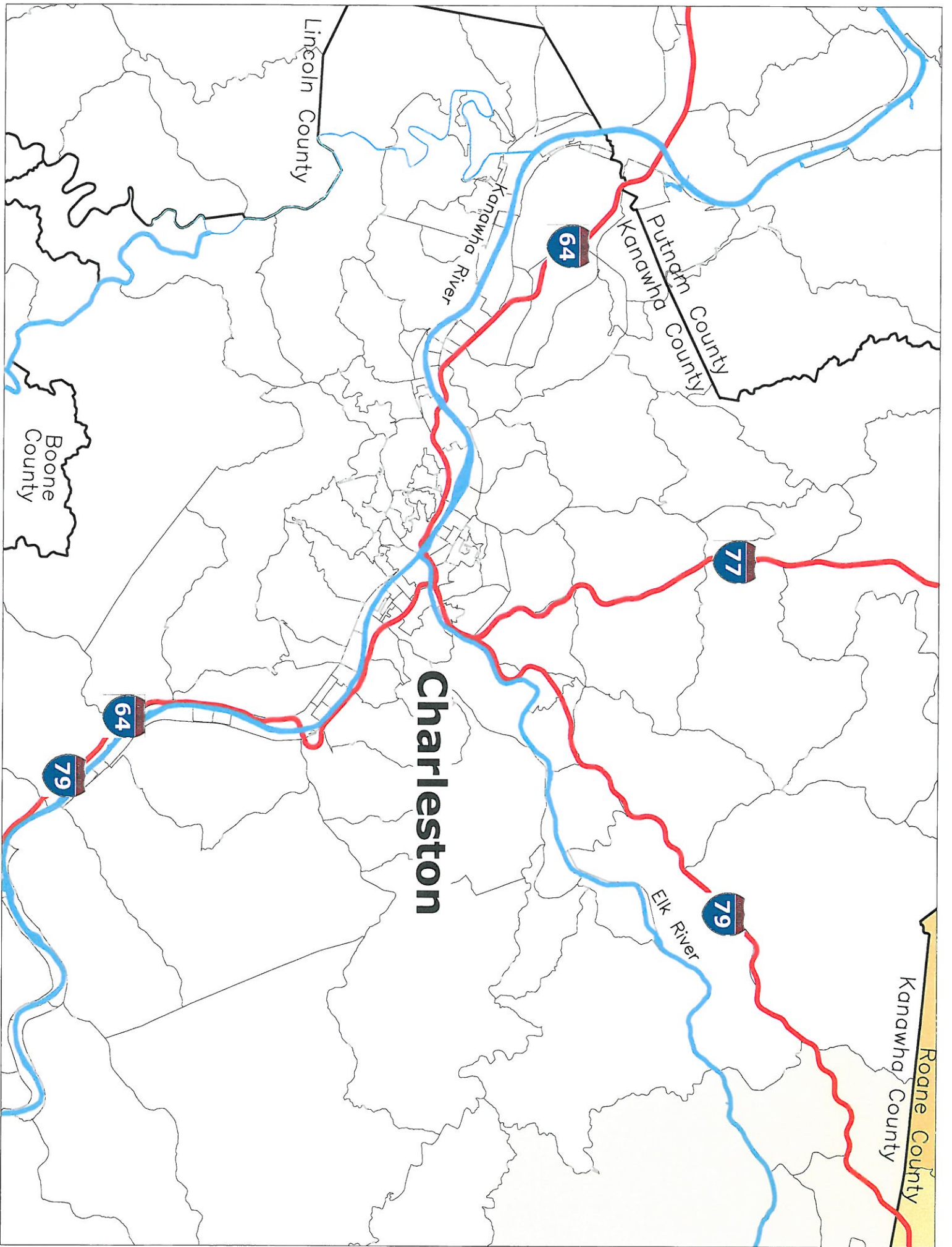
1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values,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

Latitude and Longitude of corner points

-81.665486 38.373029 -81.666023 38.372347 -81.664692 38.371666 -81.664209 38.372288

Blocks Comprising Target Neighborhood

540390001001031,



NSP3 Options

16 Current Zoom Level

Show Tracts Outline (Zoom 11+)

DRAW

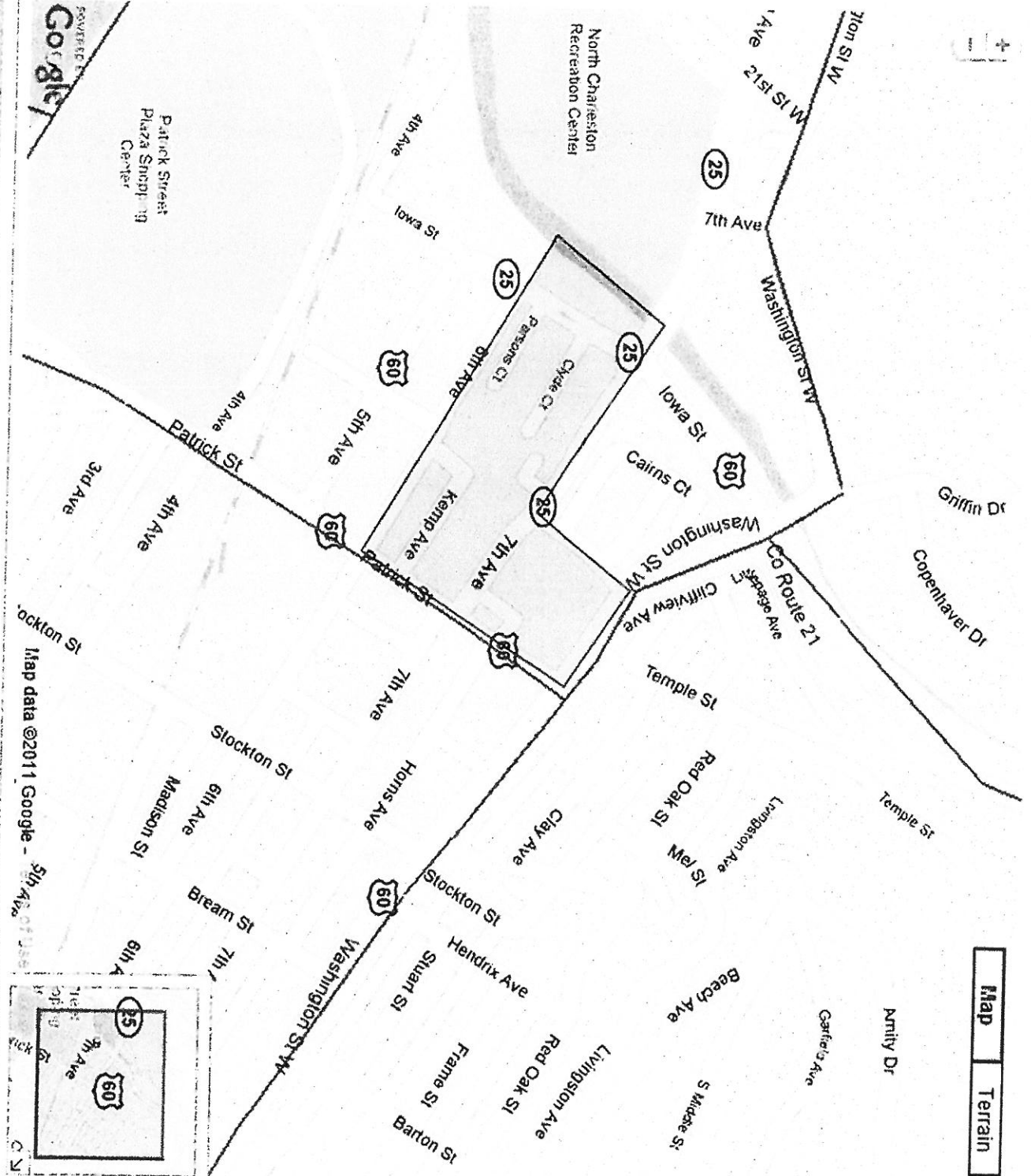
VIEW DATA

VIEW PROJECTS

METHODOLOGY

INSTRUCTIONS

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



Appendix: NSP3 Action Plan Contents Checklist

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


1. NSP3 Grantee Information

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

2. Areas of Greatest Need

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

3. Definitions and Descriptions

	Yes
Are the following definitions and topics included in your substantial amendment?:	
• Blighted structure in context of state or local law,	<input type="checkbox"/>

• Affordable rents,	<input type="checkbox"/>
• Ensuring long term affordability for all NSP funded housing projects,	<input type="checkbox"/>
• Applicable housing rehabilitation standards for NSP funded projects	<input type="checkbox"/>

4. Low-Income Targeting

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

5. Acquisition & Relocation

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

6. Public Comment

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

7. NSP Information by Activity

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

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

8. Certifications

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

9. Additional Documentation

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

