

Louisville/Jefferson County Metro Government
THE NSP SUBSTANTIAL AMENDMENT

PROPOSED OCTOBER 28, 2011
SUMMARY OF PROPOSED REVISIONS

- Authorization of non-foreclosed vacant properties for acquisition and new construction of low-income rental activities;
- Reallocation of LMHA-Development Corporation LISA project funds from Eligible Use B to Eligible Use E;
- The proposed amendment revises the following sections: B, D, E and G (for LISA Rental activities)

SUMMARY OF PRIOR REVISIONS & TECHNICAL CORRECTIONS

- Detail on direct homebuyer incentives provided by Louisville Metro Government. (March 22, 2011)
- Reduction in set-aside units and total units, inclusion of performance measures and revised specific activity requirements for homeownership activity sheets. (March 22, 2011)
- The Revised Substantial Amendment now includes responses to the public comments.(May 28, 2010)
- The Revised substantial Amendment now includes modified activity description pages that include the revised amounts allocated to River City Housing, Inc., REBOUND, Inc. and New Directions Housing Corporation.(May 14, 2010)
- LMHFS will prioritize “foreclosed” property acquisitions for Eligible Use B rehabilitation and/or Eligible Use E redevelopment.(April 9, 2010)
- LMHFS proposed using no less than 25% of its grants funds to fulfill the low-income set aside (LISA). Approximately 30% or \$2,100,000.00 will be utilized for this purpose. (April 9, 2010)
- There are no changes to the Metro NSP areas of greatest need.
- The Louisville Jefferson County Landbank Authority will not participate in the Metro NSP. (April 9, 2010)
- LMHFS will not pursue or initiate property tax foreclosure proceedings distressed or blighted property. (April 9, 2010)
- LMHFS will not engage in Eligible Use C landbanking activities. (April 9, 2010)

- LMHFS will not directly acquire or take title to NSP-funded acquisitions. (April 9, 2010)
- All NSP acquisitions will be privately-performed federally-assisted voluntary transactions. (April 9, 2010)
- NSP partnerships will be limited to housing-related, non-profit organizations and designated as by the Grantee. (April 9, 2010)
- NSP partnerships will not be extended to for-profit organizations, including private homebuilders and developers. (April 9, 2010)
- LMHFS will not allocate NSP funding or NSP acquisitions through a request for proposals (RFP). (April 9, 2010)
- LMHFS will not engage in Eligible Use D demolition activities. (April 9, 2010)
- LMHFS will not engage in Eligible Use A financing mechanism activities. (April 9, 2010)
- There are no changes to the definition of “affordable rents.”
- There are no changes to the “continued affordability” section.
- There are no changes to the proposed “rehabilitation standards.”

Louisville/Jefferson County Metro Government

THE NSP SUBSTANTIAL AMENDMENT

SUBMITTED DECEMBER 1, 2008

REVISED APRIL 9, 2010

REVISED MARCH 4, 2011

PROPOSED REVISION OCTOBER 28, 2011

<p>Jurisdiction(s):</p> <p>Louisville/Jefferson County Metro Government</p> <p>Jurisdiction Web Address:</p> <ul style="list-style-type: none"> • http://www.louisvilleky.gov/Housing/ 	<p>NSP Contact Person:</p> <p style="padding-left: 20px;">Jeana E. Dunlap</p> <p>Address: 745 West Main St., Suite 300 Louisville, KY 40202</p> <p>Telephone: 502-574-2322</p> <p>Fax: 502-574-4199</p> <p>Email: jeana.dunlap@louisvilleky.gov</p>
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This document is a Substantial Amendment to the Action Plan for Fiscal Year 2008 submitted by Louisville/Jefferson County Metro Government. The Action Plan is the annual update to the Consolidated Plan for FY 2004 through 2008. The Louisville Metro will receive \$6,973,721 from the United States Department of Housing and Urban Development (HUD) for the Neighborhood Stabilization Program (NSP). The NSP funds were authorized by the Housing and Economic Recovery Act of 2008 (HERA) in July 2008. Unless HERA states otherwise, the grants are to be considered Community Development Block Grant funds (CDBG).

NSP funds will be distributed according to the requirements of Section 2301(c) (2) of HERA which requires 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.

The NSP allows the use of only the low-and-moderate income national objective. All funds will be used to assist individuals or families with incomes at or below 120 percent of area median income (AMI). In addition, no less than 25 percent of funds (\$1,743,430.00) will be used to purchase or redevelop abandoned or foreclosed residential properties that will be used to house individuals or families at or below 50 percent of AMI.

The funds will be administered by the Department of Community Services & Revitalization through its Community Revitalization Division according to the enclosed timeline.

A. *AREAS OF GREATEST NEED* –

Provide summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; 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 on 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.

HUD has developed a Foreclosure and Abandonment Risk Score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult [this data](#), in developing this section of the Substantial Amendment.

Response:

Neighborhoods designated as high priority areas receiving initial benefit from NSP and other available entitlement funds are shown in Table 1 below:

Table 1

Neighborhood Boundary	Census Tract
Areas adjacent Park DuValle	(10) (127.01) (128.01)
Shawnee	(4) (7)
Newburg	(113.01) (114.04) (114.05) (114.06)
Portland	(3) (21) (23)
Smoketown/Shelby Park	(62) (65)

In January 2009 using information provided by the Jefferson Circuit Court Commissioner, Metro Codes and Regulations, and the Jefferson County Clerk, properties in these areas were mapped and analyzed based on NSP eligible use requirements and local government objectives. Louisville Metro will move ahead with an ongoing assessment of the specific needs of each neighborhood. Recognizing the unique programmatic opportunities that each neighborhood presents will necessarily yield neighborhood specific strategies comprised of the eligible uses

brought forth in the NSP by HERA. The data analysis is updated on a monthly and/or quarterly basis.

B. DISTRIBUTION AND USES OF FUNDS – REVISED (OCTOBER 2011)

Provide 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.

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

Response:

Louisville Metro will invite capable non-profit organizations to participate as developers in the NSP program. Louisville Metro will limit invitations to non-profit developers in delivering the NSP strategy. NSP funds will be used in tandem with other monetary resources including HUD allocated entitlement funds. Louisville Metro is also taking additional steps to capitalize and strengthen neighborhood-based groups and Community Housing Development Organizations (CHDOs). Metro has also committed Community Development Block Grant (CDBG) funds to demolish privately owned blighted properties and to perform residential repair.

Table 2

Proposed Action Plan Budget as of October 2011			
		Eligible Use	Activity Type
\$ 697,372	10%		Administration
\$ 2,100,000	30%	Use E	Low-Income Set-Aside Rental
\$ 2,676,349	38%	Use E	Acquisition - Rehab - Homeownership
\$ 1,500,000	22%	Use E	Acquisition - Rehab – Public Facility
\$ 6,973,721	100%		

** Louisville Metro reserves the right to revise this plan, timetable and/or reprogram NSP funds subject to the alternative requirements governing citizen participation.*

The proposed budget for NSP activities is outlined in Table 2. Louisville Metro will utilize no more than 10% of its NSP allocation for Administration. The Low Income Set-Aside requirement will be met under ~~Eligible Use B~~ Eligible Use E by allocating **\$2,100,000.00** or **30%** of the total grant award to the Louisville Metro Housing Authority Development Corporation for the provision of rental housing for low-income households.

Five additional non-profit organizations were selected based on their proven track records in affordable housing development, rehabilitation, and/or management. These nonprofit organizations have demonstrated propensities to perform community development projects with public resources and/or to leverage public resources toward outcomes that stabilize the community. Their combined capacity has led to numerous affordable rental or homeownership units being placed into service. Each organization has a history of working closely with neighborhood stakeholders and benefits from strong affirmations of public and private support for their proposed activities. Louisville Metro believes that project readiness combined with the developers' respective expertise will result in measurable neighborhood impacts for the areas of greatest need.

Louisville Metro is proposing two non-residential acquisition and rehabilitation projects that will operate as public facilities in two different areas of greatest need. Youthbuild Louisville and Habitat for Humanity of Metro Louisville will be assisted in acquiring vacant commercial properties in the Smoketown and Portland neighborhoods, respectively. Each organization will leverage an NSP investment of \$750,000.00 to develop operational space for its administrative and programmatic functions. Louisville Metro expects the neighborhood impact from these projects to be threefold. First, both projects will immediately produce positive impact for the surrounding areas. Second, Youthbuild Louisville serves a limited clientele by educating and training low-income young adults in residential construction and/or related trades. Third, Habitat for Humanity has established itself not only as a leading provider of affordable single-family housing, but has also become one of the most productive housing developers in the local area. While all of the households served by Habitat for Humanity are classified well within the LMMI income range, many of those homeowners are considered to earn incomes between 50-60 percent of the area median income. The NSP investment in both projects is expected to raise organizational capacity and operational efficiency, and thereby broadening the respective impact within the areas of greatest need.

Louisville Metro will not utilize the Louisville-Jefferson County Landbank Authority to complete acquisitions, as all NSP-funded acquisitions will be facilitated by the selected non-profit partners. Louisville Metro and its development partners will not emphasize "abandoned" property acquisitions due to state mandated judicial sale procedures which hinder the acquisition procedure. Likewise, Louisville Metro has no plans to initiate property tax foreclosure proceedings at part of its NSP acquisition strategy. The Department of Community Services & Revitalization will continue to work with Metro Codes & Regulations to keep property owners accountable. All NSP-funded acquisitions will require no less than a one percent discount per transaction per the July 11, 2009 technical correction (i.e. "*NSP-1 Bridge Notice*"). The revised timeline for carrying out the program is outlined below.

Under the homeownership component of its NSP strategy, Louisville Metro will provide direct homeownership assistance consisting of both grants and principal write-downs via soft-second mortgages. Louisville Metro will ensure initial and ongoing affordability of NSP-assisted housing by implementing underwriting criteria for all direct homeowner subsidies. The Metro NSP will require that homebuyers occupy the unit as their primary residence from the time of purchase throughout the established period of affordability. NSP homebuyers will need their debt burden to fall within the range acceptable to FHA, and all primary loans will need to be fixed-

rate with no prepayment penalties. The Metro NSP will strongly encourage front-end debt-to-income ratios of twenty-five percent (25%) and back-end debt-to-income ratios at or below forty-three percent (43%); but under no circumstances will front-end ratio's be allowed over thirty percent (30%). The Metro NSP has adopted the IRS Form 1040 method of calculating adjusted gross household income for all clients earning at or less than 120% of the Area Median Income.

An NSP complete homebuyer subsidy package will consist of three elements: (1) closing costs, (2) up to fifty percent of the lender's required down payment amount and (3) a principle write down. While the closing costs subsidy will be provided at closing as a grant applied toward settlement charges, forgivable loans originated by Louisville Metro will be provided to eligible purchasers in an amount necessary to make the primary mortgage payment consistent with the recommended affordability ratios. Direct homebuyer subsidies will be referred to as "NSP Homebuyer Incentives" and the ~~proposed~~ approved guidelines will remain available for public review and comment on the Metro NSP webpage. NSP soft-second mortgages will be fully repayable if the home is sold before the end of the affordability period. Thereafter, the loan will be forgiven incrementally until the loan is entirely forgiven at the end of the affordability period. As the program progresses, the amount and structure of financial assistance may be adjusted to respond to market conditions. All eligible potential homebuyers will be offered a minimum direct subsidy to create additional incentives for purchasing homes in the areas of greatest need.

The sale price after rehabilitation must be the lower of the after-rehab appraised value or actual cost the builder/developer has in the house. Prior to the ultimate sale to an owner/occupant, a financial summary prepared by the builder/developer will be submitted to Louisville Metro to ensure the sale price conforms to program requirements. To assist non-profit developers in obtaining interim financing, Louisville Metro will seek a resolution from the Louisville Metro Council authorizing forgivable loans to the selected NSP development partners. Louisville Metro will allow each loan to be subordinated to privately-provided interim financing facilities obtained by the developers at their own discretion.

NSP TIMELINE – REVISED OCTOBER 2011

October 29, 2008	Public Notice posted to Louisville Metro website
November 11, 2008	Public Notice published in the Courier-Journal newspaper
November 26, 2008	Public Comment Period ends at midnight
December 1, 2008	Louisville Metro submits Substantial Amendment to HUD
January 17, 2009	Community Outreach Forums held at Louisville Urban League
March 20, 2009	HUD approval of Substantial Amendment
July 6-7, 2009	HFS Staff attend NSP Training Session in Chicago, IL
February 18, 2010	Partners Attend NSP Problem Solving Clinic in Cincinnati, OH

February 22-23, 2010	Partners Attend Neighborhood Stabilization Workshop sponsored by Neighborworks America and the Annie E. Casey Foundation In Baltimore, MD
April 9, 2010	Revision to Substantial Amendment Posted for 15-day Public Comment Period
September 20, 2010	18 month Commitment Period ends All NSP funds obligated to a project-specific activity.
March 4, 2011	Revision to Substantial Amendment Posted for 15-day Public Comment Period
March 21, 2011	Submit Proposed Amendment, Comments and Responses to Louisville Field Office for review and approval.
October 28, 2011	Revision to Substantial Amendment Posted for 15-day Public Comment Period
November 14, 2011	Submit Proposed Amendment, Comments and Responses to Louisville Field Office for review and approval in DRGR.
March 20, 2013	NSP Expenditure Period ends

* *Louisville Metro reserves the right to modify or adjust dates and timeframes throughout the NSP implementation period.*

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response: *There are no revisions proposed for this section.*

(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response: *There are no revisions proposed for this section.*

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response: *There are no revisions proposed for this section.*

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

Response: *There are no revisions proposed for this section.*

D. LOW INCOME TARGETING - REVISED (OCTOBER 2011)

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to 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 percent of area median income. The median income for the Louisville MSA was \$62,900.00 for a family of four in 2011.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income (AMI).

Response:

Louisville Metro anticipates that thirty percent (30%) of NSP funds will be used for projects to be occupied by households whose income does not exceed 50% of area median income, adjusted for household size. This will be accomplished by working closely with the Louisville Metro Housing Authority (LMHA) Development Corporation. Louisville Metro will enter into an amended NSP development agreement with LMHA Development Corporation to acquire ten (10) “vacant” unimproved parcels in the Smoketown Neighborhood, upon which ten (10) single-family homes will be constructed and rented to income qualified households. Subject to the “Dodd-Frank Wall Street Reform and Consumer Protection Act” passed in 2010 redevelopment activities performed under Eligible Use E are now permitted in meeting the NSP-1 Low-Income Set-Aside grant requirement.

E. ACQUISITIONS & RELOCATION - REVISED (OCTOBER 2011)

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

Response:

- Louisville Metro estimates 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 subject this substantial amendment to be **zero units**.
- 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, are listed below for all NSP activities that will provide housing. A proposed time schedule for each NSP activity is included in the following activity summary descriptions.

Louisville reasonably expects to produce ~~26 units~~ **27 units** of affordable housing for low-, moderate-, and middle-income households (LMMI).

Under ~~Eligible Use B~~ **Eligible Use E**, the LMHA Development Corporation will acquire ten (10) unimproved “vacant” properties and construct 10 single-family homes for rental to low-income tenants. A total of ~~nine (9)~~ ten (10) rental housing units for households at or below fifty percent of area median income will be provided under the Low Income Set Aside.

River City Housing and REBOUND will acquire and rehabilitate twelve (12) single-family “foreclosed” or “vacant” properties while New Directions Housing Corporation will acquire four (4) properties and construct five (5) new homes to be sold to owner-occupants.

- Louisville Metro estimates that approximately ~~9 units~~ **10 units** are reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

F. PUBLIC COMMENT - REVISED (OCTOBER 2011)

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction’s website for no less than 15 calendar days for public comment.

Response:

All proposed revisions will be posted for public comment thru November 14, 2011. Louisville Metro will include and submit all comments received during the 15-day comment period to the local HUD Field Office.

G. NSP INFORMATION BY ACTIVITY

(1) Activity Name: **Administration**

(2) Activity Type: CDBG – 24 CFR 570.206 (a)-(b)

(3) National Objective:

This activity will meet the national objective benefitting low, moderate and middle income persons by (1) providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120 percent of the area median income for the Louisville MSA (LMMH); or by (2) serving an area in which at least 50 percent of the residents have incomes at or below 120 percent of median income (LMMA); or by (3) serving a limited clientele whose incomes are at or below 120 percent of the area median income (LMMC).

(4) Activity Description:

Administrative funds will be used for overall program administrative activities including general program oversight, compliance with federal regulations and program implementation activities.

(5) Location Description: Priority areas identified in Section A, Table 1.

(6) Performance Measures: Rate at which NSP funds are obligated and drawn.

(7) Total NSP Budgeted: \$697,372.00

(8) Responsible Organization:
Louisville/Jefferson County Metro Government
Department of Community Services & Revitalization
Community Revitalization Division
745 W. Main Street, Suite 300, Louisville, Kentucky 40202
(502) 574-4016

(9) Projected Start Date: January 1, 2009

(10) Projected End Date: March 20, 2013

(11) Specific Activity Requirements:

- Education & coordination for construction, real estate and finance professionals;
- Advertising & marketing campaign for Metro NSP;
- National Homeownership Month “Mini-Fair” Event;
- Post-purchase counseling incentives.

G. NSP INFORMATION BY ACTIVITY (CONTINUED)

(1) Activity Name: **Low-Income Set-Aside Acquisition, New Construction and Rental**

(2) Activity Type: ~~NSP (B) – HERA Section 2301(c)(3)(B)~~
NSP (E) – HERA Section 2301(c)(3)(E)
CDBG – 24 CFR 570.201(a-b); 570.202

(3) National Objective: This activity will meet the national objective benefitting low, moderate and middle income persons by providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120 percent of the area median income for the Louisville MSA (LMMH).

(4) Activity Description:

Funds will be used to acquire “foreclosed” and “vacant” properties physically located in the Smoketown neighborhood. Funding for this activity will be used to meet the low income housing set-aside requirement by providing rental units for clients served by the local housing authority.

(5) Location Description: Census Tract 62 – Smoketown Neighborhood

(6) Performance Measures: Redevelopment ~~9+ units~~ 10 units within Smoketown.
Lease 10 units within Smoketown.
Expenditure of total budget amount by December 31, 2012.

(7) Total NSP Budgeted: \$2,100,000.00

(8) Responsible Organization: LMHA Development Corporation
420 South Eighth Street
Louisville, KY 40203

(9) Projected Start Date: July 1, 2010

(10) Projected End Date: March 20, 2013

(11) Specific Activity Requirements:

- Acquisition discount rate – 99% of Fair Market Value for individual properties.
- Rental activities are subject to a comprehensive underwriting and cost reasonableness review.
- The developer must execute an amended NSP-appropriate development agreement.
- NSP assisted units must be occupied by households with incomes at or below fifty percent (50%) of area median income during the designated period of affordability. The developer must submit an NSP-appropriate disposition strategy or otherwise agree to operate rental units subject to long-term affordability restrictions.
- All expenditures submitted for reimbursement must be allocated upon the basis of specific sites as indicated in the amended development agreement.

G. NSP INFORMATION BY ACTIVITY (CONTINUED)

(1) Activity Name: **Acquisition, Rehabilitation, and Homeownership**

(2) Activity Type: NSP (E) – HERA Section 2301(c)(3)(E)
CDBG – 24 CFR 570.201 (a-e),(n); 570.202

(3) National Objective: This activity will meet the national objective benefitting low, moderate and middle income persons by providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120 percent of the area median income for the Louisville MSA (LMMH).

(4) Activity Description: One of three nonprofit developers who will acquire and rehabilitate Use E or B type properties for eventual sale to low, moderate, and middle income homebuyers. Development subsidy, retained sale proceeds, direct homebuyer assistance provided by Louisville Metro Government

(5) Location Description: Priority areas identified in Section A, Table 1.

(6) Performance Measures: Redevelopment 8+ units within targeted neighborhoods.
Sell 8+ units within targeted neighborhoods.
Expenditure of initial allocation by February 20, 2012.

(7) Total NSP Budgeted: \$1,225,450.00

(8) Responsible Organization: River City Housing, Inc.
610 South Fourth Street, #701
Louisville, KY 40202
www.rivercityhousing.org/pages/index.shtml

(9) Projected Start Date: July 1, 2010

(10) Projected End Date: March 20, 2013

(11) Specific Activity Requirements:

- Acquisition discount rate – Acquisition discount rate – 99% of Fair Market Value for the subject properties.
- Buyer must execute an agreement, note and mortgage in favor of Louisville Metro Government which are subject to recapture provisions contained therein;
- Homebuyer purchases must conform to the NSP Homebuyer Incentive guidelines;
- Any sale proceeds generated, excluding the developer fee earned per unit, must be reused for NSP eligible activities in the areas of greatest need.

G. NSP INFORMATION BY ACTIVITY (CONTINUED)

(1) Activity Name: **Acquisition, Rehabilitation, and Homeownership**

(2) Activity Type: NSP (E) – HERA Section 2301(c)(3)(E)
CDBG – 24 CFR 570.201 (a-e),(n); 570.202

(3) National Objective: This activity will meet the national objective benefitting low, moderate and middle income persons by providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120 percent of the area median income for the Louisville MSA (LMMH).

(4) Activity Description: One of three nonprofit developers who will acquire and rehabilitate Use E or B type properties for eventual sale to low, moderate, and middle income homebuyers. Development subsidy, retained sale proceeds, direct homebuyer assistance provided by Louisville Metro Government

(5) Location Description: Priority areas identified in Section A, Table 1.

(6) Performance Measures: Redevelopment 5+ units within targeted neighborhoods.
Sell 5+ units within targeted neighborhoods.
Expenditure of initial allocation by February 20, 2012.

(7) Total NSP Budgeted: \$825,450.00

(8) Responsible Organization: New Directions Housing Corporation
1000 East Liberty St.
Louisville, KY 40204-1029
www.ndhc.org

(9) Projected Start Date: July 1, 2010

(10) Projected End Date: March 20, 2013

(11) Specific Activity Requirements:

- Acquisition discount rate – Acquisition discount rate – 99% of Fair Market Value for the subject properties.
- Buyer must execute an agreement, note and mortgage in favor of Louisville Metro Government which are subject to recapture provisions contained therein;
- Homebuyer purchases must conform to the NSP Homebuyer Incentive guidelines; Any sale proceeds generated, excluding the developer fee earned per unit, must be reused for NSP eligible activities in the areas of greatest need.

G. NSP INFORMATION BY ACTIVITY (CONTINUED)

(1) Activity Name: **Acquisition, Rehabilitation, and Homeownership**

(2) Activity Type: NSP (E) – HERA Section 2301(c)(3)(E)
CDBG – 24 CFR 570.201 (a-e),(n); 570.202

(3) National Objective: This activity will meet the national objective benefitting low, moderate and middle income persons by providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120 percent of the area median income for the Louisville MSA (LMMH).

(4) Activity Description: One of three nonprofit developers who will acquire and rehabilitate Use E or B type properties for eventual sale to low, moderate, and middle income homebuyers. Development subsidy, retained sale proceeds, direct homebuyer assistance provided by Louisville Metro Government

(5) Location Description: Priority areas identified in Section A, Table 1.

(6) Performance Measures: Redevelopment 4+ units within targeted neighborhoods.
Sell 4+ units within targeted neighborhoods.
Expenditure of initial allocation by February 20, 2012.

(7) Total NSP Budgeted: \$625,449.00

(8) Responsible Organization: REBOUND, Inc. (a related entity of the Louisville Urban League)
1535 W. Broadway
Louisville, KY 40203
www.msrrinc.net/Community/Project_REBOUND/index.html

(9) Projected Start Date: July 1, 2010

(10) Projected End Date: March 20, 2013

(11) Specific Activity Requirements:

- Acquisition discount rate – Acquisition discount rate – 99% of Fair Market Value for the subject properties.
- Buyer must execute an agreement, note and mortgage in favor of Louisville Metro Government which are subject to recapture provisions contained therein;
- Homebuyer purchases must conform to the NSP Homebuyer Incentive guidelines; Any sale proceeds generated, excluding the developer fee earned per unit, must be reused for NSP eligible activities in the areas of greatest need.

G. NSP INFORMATION BY ACTIVITY (CONTINUED)

(1) Activity Name: **Acquisition, Rehabilitation, and Public Facility**

(2) Activity Type: NSP (E) – HERA Section 2301(c)(3)(E)
CDBG – 24 CFR 570.201 (a-c)

(3) National Objective: This activity will meet the national objective benefitting low, moderate and middle income persons by (1) serving a limited clientele whose incomes are at or below 80 percent of area median income (LMMC).

(4) Activity Description: Louisville Metro proposes making a forgivable loan to a nonprofit organization for the acquisition, rehabilitation, and operation of its programmatic and administrative headquarters. The nonprofit recruits, educates, and trains young adults between the ages of 16 and 24 in construction related trades. Louisville Metro is encouraging the inclusion of green and/or sustainable construction components. Operating expenses will not be funded by the NSP, but will be addressed in the due diligence to assure sustainable, ongoing operations.

(5) Location Description: Priority Area – Smoketown - Census Tract 62

(6) Performance Measures: Redevelopment Benchmarks
Clients Recruited from Areas of Greatest Need
Section 3 Employment Referrals

(7) Total NSP Budgeted: \$750,000.00

(8) Responsible Organization: Youthbuild Louisville
800 West Chestnut Street, Building A, Room 109
Louisville, KY 40203
www.youthbuildlouisville.org

(9) Projected Start Date: July 1, 2010

(10) Projected End Date: December 31, 2011

(11) Specific Activity Requirements:

- Acquisition discount rate – 99% of Fair Market Value for the subject properties.
- Program participants must be at or below 50% of area median income.
- Return property or pay loan in full if facility ceases to operate or organization changes its mission.
- Program participants and/or graduates will be referred for NSP Section 3 employment opportunities.

G. NSP INFORMATION BY ACTIVITY (CONTINUED)

(1) Activity Name: **Acquisition, Rehabilitation, and Public Facility**

(2) Activity Type: NSP (E) – HERA Section 2301(c)(3)(E)
CDBG – 24 CFR 570.201 (a-c)

(3) National Objective: This activity will meet the a national objective benefitting low, moderate and middle income persons by (1) serving a limited clientele whose incomes are at or below 80 percent of area median income (LMMC).

(4) Activity Description: Louisville Metro proposes making a forgivable loan to a nonprofit organization for the acquisition, rehabilitation, and operation of its programmatic and administrative headquarters. The nonprofit educates low-income people to become homeowners and provides permanent financing/servicing to its clients. Many of the clients served qualify as low to moderate income. Louisville Metro is encouraging the inclusion of green and/or sustainable construction components. Operating expenses will not be funded by the NSP, but will addressed in the due diligence to assure sustainable, ongoing operations.

(5) Location Description: Priority Area – Portland - Census Tract 23

(6) Performance Measures: Redevelopment Benchmarks
Clients Recruited from Areas of Greatest Need
Section 3 Employment Referrals

(7) Total NSP Budgeted: \$750,000.00

(8) Responsible Organization: Habitat for Humanity of Metro Louisville
2777 South Floyd Street
Louisville, KY 40209
www.hfhloouisville.org

(9) Projected Start Date: July 1, 2010

(10) Projected End Date: December 31, 2011

(11) Specific Activity Requirements:

- Acquisition discount rate – 99% of Fair Market Value for the subject properties.
- Program participants must be at or below 80% of area median income.
- Return property or pay loan in full if facility ceases to operate or organization changes its mission.
- Section 3 employment opportunities will be offered to eligible individuals and business concerns.

EXHIBITS A, B, AND C ARE AVAILABLE FOR DOWNLOAD AT:
[HTTP://WWW.LOUISVILLEKY.GOV/HOUSING/NEIGHBORHOOD+STABILIZATION+PROGRAM.HTM](http://www.louisvilleky.gov/HOUSING/NEIGHBORHOOD+STABILIZATION+PROGRAM.HTM)

EXHIBIT A – NSP Areas of High Risk for Foreclosure or Abandonment

EXHIBIT B – NSP Summary Needs Data

EXHIBIT C – NSP Maps - Areas of Greatest Need

Shawnee

Census Tract 4, Jefferson County, Kentucky

Census Tract 7, Jefferson County, Kentucky

Park DuValle Adjacent Areas (including Parkland – Bells Lane – Hallmark – Cane Run Road)

Census Tract 10, Jefferson County, Kentucky

Census Tract 127.01, Jefferson County, Kentucky

Census Tract 128.01, Jefferson County, Kentucky

Portland

Census Tract 3, Jefferson County, Kentucky

Census Tract 21, Jefferson County, Kentucky

Census Tract 23, Jefferson County, Kentucky

Newburg

Census Tract 113.01, Jefferson County, Kentucky

Census Tract 114.04, Jefferson County, Kentucky

Census Tract 114.05, Jefferson County, Kentucky

Census Tract 114.06, Jefferson County, Kentucky

Smoketown/Shelby Park

Census Tract 62, Jefferson County, Kentucky

Census Tract 65, Jefferson County, Kentucky

EXHIBIT D – PUBLIC NOTICE

PUBLIC NOTICE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT REVISED SUBSTANTIAL AMENDMENT TO THE 2008 ANNUAL ACTION PLAN

In accordance with the Citizen Participation Plan, any proposed amendments to the 2008 Action Plan are to be made available to the public for review and comment. On October 28, 2011 a revision to the amendment submitted December 1, 2008 will be proposed pertaining to the Neighborhood Stabilization Program (NSP). The revised amendment can be reviewed at the office of Louisville Metro Department of Community Services & Revitalization, 745 W. Main Street, Third Floor, Louisville, KY 40202. The amendments are also available for review at the following website: www.louisvilleky.gov/housing. Any interested agencies, groups, or persons may submit comments regarding the proposed amendment via e-mail to Jeana.Dunlap@louisvilleky.gov, fax to (502) 574-4199, or mailed to Jeana Dunlap at the address above during the 15-day comment period beginning October 28, 2011 and concluding on November 14, 2011. For further information, please call (502) 574-4016.

EXHIBIT E – PUBLIC COMMENTS

All proposed revisions will be posted for public comment. Louisville Metro will include and submit all comments received during the 15-day comment period to the local HUD Field Office.

EXHIBIT F - DISCLOSURES

There are no disclosures at this time.