

NEIGHBORHOOD STABILIZATION PROGRAM

AMENDMENT TO ORIGINAL PLAN

Amendment

Activities being currently undertaken with NSP funds include (a) establishment of financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties, (b) purchase and rehabilitation of homes and residential properties abandoned or foreclosed, (c) demolition of blighted structures, (d) redevelopment of demolished or vacant properties, and (e) administration and planning costs.

This amendment will allow for the inclusion of LAND BANKING, which is an eligible use under HERA. The UCP will continue to meet the National Objective in benefiting low, moderate and middle income households at or below 120% of the area median income, as well as work in the areas of greatest need within the County of Hidalgo.

Changes made to the plan can be found on pages 2, 5, 20 & 21 and 22.

<p>Jurisdiction(s): <u>The County of Hidalgo</u> <u>Urban County Program</u> <i>(identify lead entity in case of joint agreements)</i></p> <p>Jurisdiction Web Address: http://www.co.hidalgo.tx.us/ <i>(URL where NSP Substantial Amendment materials are posted)</i></p>	<p>NSP Contact Person: Diana R. Serna Address: 1916 Tesoro Blvd., Pharr TX 78577 Telephone: (956) 787-8127 Fax: (956) 787-5291 Email: ucp@bizrgv.rr.com</p>

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:

The NSP funding is to be used by Hidalgo County – Urban County Program (UCP) for providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income (AMI). The program shall address acquisition, rehabilitation, sale, construction of housing units and home ownership assistance. The program shall address foreclosure issues within Hidalgo County, excluding the entitlement cities of McAllen, Edinburg, Mission and Pharr, that include but are not limited to:

- a. establishment of financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties;
- b. purchase and rehabilitation of homes and residential properties abandoned or foreclosed;
- c. demolition of blighted structures;
- d. redevelopment of demolished or vacant properties;
- e. administration and planning costs; and
- f. land banking

It is the intent of the County of Hidalgo UCP to partner with existing Community Housing Development Organizations (CHDO's) to accomplish the activities identified.

B. DISTRIBUTION AND USES OF FUNDS

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:

The County of Hidalgo Urban County Program design identified several areas of greatest need. The areas selected were areas that were identified as having 1.) a high level of foreclosure rates (through a data collection method from the County of Hidalgo County Clerks Office of foreclosures over a 5 month period – see page #23 & 24), 2.) the highest estimated foreclosure/abandonment risk score – see page #25. 3.) income eligible households – see page #26 (up-to the 120% of HUD Area Median Income) and 4.) the highest percentage of loans made between 2004 and 2006 that were high cost – see page #27.

The geographic boundaries include the following census tracts:

21802, 21902, 22001, 22002, 22101, 22102, 22201, 22202, 22400, 22502, 22600, 23000, 23101, 23102, 23508, 24202, 24401, 24402, 24500 and 24600 – see page #22

November 18, 2008, a Public Hearing was held at the Hidalgo County Commissioners' Court. No comments were received.

The public comment period for the amendment to the NSP Original Plan begins on April 13, 2010 and will remain open until April 28, 2010. All comments received will be added to the submittal of the amendment for HUD approval. A Public Hearing will be held on May 4, 2010 at the Hidalgo County Commissioners' Court. Any comments received will be added to the submittal of the amendment for HUD approval.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Land Banking**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

Eligible use under the Housing and Economic Recovery Act of 2008 (HERA)

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

Benefit to low-, moderate- and middle-income persons/families

(a) All of the funds made available under this section are to be used with respect to individuals and families whose incomes do not exceed 120% of area median income.

(b) Not less than 25% of these funds are to be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of area median income.

Note that NSP redefines and supersedes the definition of “low- and moderate-income” of the CDBG program by allowing households whose incomes exceed 80% but are no greater than 120% of area median income to qualify for NSP funds. HUD will refer to this new income group as “middle income,” but continue to use the CDBG definitions of “low-income” and “moderate-income.” HUD will use the term “low-, moderate- and middle-income” (LMMI) to refer to the national objective of the program.

(4) Activity Description:

Purchase of vacant lots for the purpose of redevelopment.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

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(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

The approximate number of units to be assisted with the total allocation is 30-35. The number of families to be assisted within each income level will be determined once the project is underway. As stated previously, the NSP requires 25% of the allocation for families below fifty percent (50%) AMI, therefore the number of units produced within this income range will be approximately 12.

(7) Total Budget: (Include public and private components)

<i>Activity</i>	<i>% AMI</i>	<i># of Units</i>	<i>Per Unit</i>	<i>Budget Amount</i>
Land Acquisition				
Redevelopment				

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

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 Pharr, TX 78577
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(9) Projected Start Date: January 2009

(10) Projected End Date: December 2012

(11) Specific Activity Requirements:

Please refer to project activity requirements listed under #4 (Activity Description) of this section.

**NSP PROGRAM
BUDGET**

Activity	Original Budget	Amended Budget
Unit Acquisition	\$1,563,000	\$1,768,900
Down Payment Asst.	252,500	262,500
New Construction	630,000	500,000
Rehabilitation	100,000	0
Demolition	17,500	0
Program Maintenance	25,000	0
Developer's Fees	0	56,600
Program Administration	279,057	279,057
TOTAL	\$2,867,057	\$2,867,057