

# THE NSP SUBSTANTIAL AMENDMENT YORK COUNTY, PENNSYLVANIA

Jurisdiction:  County of York, Pennsylvania  Jurisdiction Web Address: <ul style="list-style-type: none"><li>• <a href="http://www.york-county.org">http://www.york-county.org</a></li><li>• <a href="http://www.ycpc.org">http://www.ycpc.org</a></li></ul>	NSP Contact Person: M. Chris Rafferty  Address:  York County Planning Commission 28 East Market Street York, PA 17401  Telephone: (717) 771-9870 Fax: (717) 771-9511 Email: <a href="mailto:crafferty@ycpc.org">crafferty@ycpc.org</a>
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York County is anticipated to receive an allocation of \$2,017,253.00 from the U.S. Department of Housing and Urban Development (HUD) under the Neighborhood Stabilization Program (NSP). The NSP was authorized under the Housing and Economic Recovery Act (HERA) of 2008, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes. Staff of the Housing & Community Development Division of the York County Planning Commission (YCPC) has completed the NSP Substantial Amendment, required by HUD, which identifies the areas of greatest need within the County and specifies the types of activities the County will undertake with these funds.

The NSP Substantial Amendment was available for public view and comment beginning November 11, 2008, via the YCPC website ([www.ycpc.org](http://www.ycpc.org)) and York County website ([www.york-county.org](http://www.york-county.org)). A display ad was published in York Newspapers on the same date alerting the public of this information and its availability. The aforementioned web announcements will be available through November 30, 2008. The NSP Substantial Amendment, which is an amendment to the 2008 York County Annual Action Plan and 2005-2009 York County Consolidated Plan, was approved to the York County Commissioners on November 26, 2008. This amendment is hereby submitted to HUD on December 1, 2008 for approval via paper submission and the Disaster Recovery Grant Reporting (DRGR) system.

## ***A. AREAS OF GREATEST NEED***

In preparing the information needed for the NSP Substantial Amendment, YCPC staff conducted a needs assessment of York County utilizing data related to the number of home foreclosures in 2008, the number of current foreclosure filings, the number of loans made in the County from 2004 to 2006 and the percentage of those loans that were identified as sub-prime loans. The aforementioned data was mapped and outlined the areas of greatest need within the County. The areas of greatest need are located in the following municipalities: Hanover Borough, Dallastown Borough, Red Lion Borough,

West York Borough and Yoe Borough. Because of the high number of foreclosure filings in these areas, they were determined to be at the highest risk of foreclosure. This data was also compared to the HUD Risk Score, which measures the estimated foreclosure and abandonment risk of every census block group in York County. The HUD Risk Score presents a scale from 0 to 10, with 10 being the greatest risk. The following website identifies the risk score and data for each available census block group in Pennsylvania (scroll to the bottom of the spreadsheet to view York County's data):

[http://www.huduser.org/publications/commdevl/excel/PA120\\_LM.xls](http://www.huduser.org/publications/commdevl/excel/PA120_LM.xls)

The County of York will propose to use NSP funds to promote neighborhood stabilization where sub-prime lending, foreclosure and housing vacancies have negatively affected the housing market.

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

The County of York will use NSP funds for acquisition, demolition, rehabilitation, preservation, energy efficiency and conservation of eligible properties in Hanover Borough, Dallastown Borough, Red Lion Borough, West York Borough and Yoe Borough.

Based on HUD's formula methodology for the NSP grant allocation, the City of York is not included in the County's direct allocation of NSP funds. If requested, the County will assist the City of York in applying for NSP funds from the Pennsylvania Department of Community and Economic Development (DCED). DCED is anticipated to receive \$59,631,318 through the newly authorized NSP.

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

- (1) Blighted structure – The definition of “blighted structure” is outlined in two state laws, the Eminent Domain Law and Urban Redevelopment Law. Given that NSP funds essentially cannot be used for Eminent Domain, Pennsylvania's Urban Redevelopment Law defines “blighted property” and can be found at 35 P.S. 1712.1©. Per that definition, blighted property shall include:
  - (a) Any premises which because of physical condition or use is regarded as a public nuisance at common law or has been declared a public nuisance in accordance with local housing, building, plumbing, fire and related codes.
  - (b) Any premises which because of physical condition, use or occupancy is considered an attractive nuisance to children, including but not limited to abandoned wells, shafts, basements, excavations, and unsafe fences or structures.

- (c) Any dwelling which because it is dilapidated, unsanitary, unsafe, vermin-infested or lacking in the facilities and equipment required by the housing code of the municipality, has been designated by the department responsible for enforcement of the code as unfit for human habitation.
  - (d) Any structure which is a fire hazard, or otherwise dangerous to the safety of person or property.
  - (e) Any structure from which utilities, plumbing, heating, sewerage or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that property is unfit for its intended use.
  - (f) Any vacant or unimproved lot or parcel of ground in a predominantly built-up neighborhood, which by reason of neglect or lack of maintenance has become a place for accumulation of trash and debris, or a haven for rodents or other vermin.
  - (g) Any unoccupied property which has been tax delinquent for a period of two years prior to the effective date of the act (P.L. 991,1945), and those in the future having a two year tax delinquency.
  - (h) Any property which is vacant but not tax delinquent, which has not been rehabilitated within one year of receipt of notice to rehabilitate from the appropriate code enforcement agency.
- (2) Affordable rents – NSP-assisted units will carry rent and occupancy restriction requirements. The rents will be set in order that individuals pay no more than 30 percent of their gross income for rent, including utilities or the applicable fair market rents for the area less any utility costs paid by the tenants, whichever is lower.
- (3) Continued Affordability – HUD requires that jurisdictions ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental or redevelopment of abandoned and foreclosed upon homes and residential properties remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income (AMI).

All homebuyer and rental units assisted must include provisions for long-term affordability restrictions meeting at least the following requirements:

## HOMEBUYER

<b>Subsidy Amount</b> (the amount of NSP assistance provided to a homebuyer)	<b>Minimum Affordability Period</b>	<b>Minimum Restriction</b>
Less than \$15,000	5 years	Subsidy recapture, 20 percent forgiveness each year
\$15,000 to \$30,000	10 years	Subsidy recapture, 10 percent forgiveness each year
\$30,001 to \$45,000	15 years	Subsidy recapture, 6.6 percent forgiveness each year
\$45,001 to \$60,000	20 years	Subsidy recapture, 5 percent forgiveness each year
\$60,001 and greater	25 years	Subsidy recapture, 4 percent forgiveness each year

While these are minimum requirements, York County reserves the right to implement more stringent affordability requirements than the minimum listed here to ensure the units assisted remain affordable as long as possible.

Proceeds from subsidy recapture can be reinvested in eligible NSP activities within the first five program years. After that timeframe, proceeds must be returned to the Federal Treasury in accordance with the HUD Notice for NSP.

## RENTAL

<b>Average Per Unit NSP Assistance</b>	<b>Affordability Period</b>	<b>Minimum Restriction</b>
Less than \$15,000	5 years	Subsidy recapture, 20 percent forgiveness each year
\$15,000 to \$30,000	10 years	Subsidy recapture, 10 percent forgiveness each year
\$30,001 to \$45,000	15 years	Subsidy recapture, 6.6 percent forgiveness each year
\$45,001 to \$60,000	20 years	Subsidy recapture, 5 percent forgiveness each year
\$60,001 and greater	25 years	Subsidy recapture, 4 percent forgiveness each year

Rent, occupancy, and affordability requirements for homebuyer and rental units will be enforced with covenants, mortgages, or deed restrictions running with the property.

- (4) Rehabilitation Standards – The Uniform Construction Code (UCC) was adopted on April 9, 2004 for the Commonwealth of Pennsylvania and is applicable to the construction, alteration, repair, movement, equipment, removal, demolition, maintenance, occupancy or change of occupancy of every building or structure which occurs on or after April 9, 2004.

All rehabilitation work under the Program must be completed in a cost efficient and workmanlike manner. Extravagant or luxury quality improvements will not be allowed. All major systems should be of sufficient quality to serve for a duration of fifteen years. Any improvements for which building permits are required must meet local building code quality standards.

- (5) Abandoned - A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

- (6) Foreclosed Property – A property “has been foreclosed upon” at the point that under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

- (7) Vacant Property – The Commonwealth’s definition of vacant property will include any property that meets one of the following criteria taken from the Urban Redevelopment Law and can be found at 35 P.S. 1712.1(c):

- Any unoccupied property which has been tax delinquent for a period of two years prior to the effective date of the Act (P.L. 991,1945), and those in the future having a two-year tax delinquency; or
- Any property that is vacant, but not tax delinquent and has not been rehabilitated within one year of receipt of notice to rehabilitate from the appropriate code enforcement agency.

- (8) Program Income - Program income is any income generated from any NSP activity created in the greatest need areas. A revolving fund will be created into which all program income generated will be deposited. Only program income generated by NSP activities will be deposited into this account. The following are examples of probable program income and how that income may be reused:

Activity	Reuse
Acquisition/Rehab	Any foreclosed property acquired and rehabbed using NSP funds will be purchased at a discount from the current market-appraised value of the home or property as required under Section 2301(d)(I). Acquisition cost and cost of rehab will be determined in setting the sale price for an income-qualified purchaser. The cost of the acquisition/rehab and any profits received by the sale of the property will be returned to the County to be reused for another NSP eligible activity.
Demolition	Any blighted property acquired by the County using other funds, demolished with NSP funds and later sold shall return all NSP funds used in the demolition to the County NSP revolving fund to be reused for another NSP eligible activity
Demolition	Any blighted property acquired by the County using other funds, demolished and the property used for nonresidential uses, such as a public park or mixed residential and commercial activity shall remain with the project and not be considered program income.
Sale or long-term lease of property	Any program income received from the disposition by sale or long-term lease of real property acquired and rehabilitated or constructed with NSP funds shall be returned to the County NSP revolving fund to be reused for another NSP eligible activity.
Loans for development	Payment of principal or interest on loans made using NSP funds, or the sale of any loans made with NSP funds shall be deposited in the County NSP revolving fund to be reused for another NSP eligible activity
Interest earned on the NSP revolving fund	Shall be retained in the NSP revolving fund account and used for NSP eligible activity
Subsidy Recapture	Any funds recaptured by the sale of an NSP assisted property will be returned to the NSP revolving fund and reused for another NSP eligible activity

- (9) Greatest Need Areas – Areas of the County shown to have the highest number of current foreclosure filings, the areas with the highest numbers of loans made and the highest percentage of sub-prime loans made. These areas were determined to be the areas of highest risk of foreclosure.

***D. LOW INCOME TARGETING***

The County of York will use at least 25% of the \$2,017,253 in NSP funds for the purchase and redevelopment of abandoned or foreclosed properties for housing individuals or families whose incomes do not exceed 50% of area median income. This amount will be at least \$504,313 and will be used in an affordable rental/ownership program.

***E. ACQUISITIONS & RELOCATION***

The maximum per assisted unit limit will not exceed the current 221(d)3 per unit subsidy limit established for York County by HUD.

All development undertaken with NSP funds shall comply with the regulations and issuances promulgated pursuant to the program as part of the Housing and Economic Recovery Act, 2008 (HERA), as amended or revised.

NSP development will not be required to meet the requirements of 42 U.S.C. 5304(d) as implemented at 24 CFR 42.375, which mandates one-for-one replacement of low-moderate income dwelling units that are demolished or converted for activities with NSP funds.

***F. PUBLIC COMMENT***

The comment period described in the 2<sup>nd</sup> paragraph of page 1 has expired. No comments regarding this document were received.

### **G. NSP INFORMATION BY ACTIVITY**

This section contains the County's summary of each activity anticipated for NSP funds. York County intends to provide additional details on these activities after local applications are received and approved.

#### **Activity Name: Acquisition and Rehabilitation of Foreclosed or Abandoned Properties**

- (1) Activity Type: NSP Activity (B); CDBG Eligible Activity 24 CFR 570.201 (a) – Acquisition of Real Property.
- (2) National Objective: Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice (< 120 percent of area median income). Funds for this activity will also be used to meet the low income targeting cap of 25% as outlined in Part D.
- (3) Location Description: Activities will be conducted within the areas of greatest need within the County as identified in Parts A and B. Specific locations to be determined once local applications are approved.
- (4) Performance Measures: Four (4) housing units will be assisted.
- (5) Total Budget: \$750,000.00
- (6) Responsible Organization: York County Planning Commission  
Housing & Community Development Department  
28 East Market Street  
York, PA 17401-1580  
M. Chris Rafferty, Department Administrator
- (7) Projected Start Date: March 1, 2009
- (8) Projected End Date: February 28, 2014
- (9) Activity Description: This activity provides for the acquisition and rehabilitation of foreclosed or abandoned properties in the areas identified in Part A. Specific activity locations within these areas will be determined once local applications are approved. YCPC staff will work with those communities identified as “areas of greatest need” to help identify eligible activities. Staff will then assist those property owners with the application process. All applications will be submitted to staff and the York County Loan Committee for review and recommendation. Applications will then be submitted to the York County Commissioners for approval. Refer to Part E for additional activity requirements.

**Activity Name: Demolition of Blighted Properties**

- (1) Activity Type: NSP Activity (D); CDBG Eligible Activity 24 CFR 570.201 (d) – Clearance and demolition for blighted properties only.
- (2) National Objective: Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice (< 120 percent of area median income).
- (3) Location Description: Activities will be conducted within the areas of greatest need within the County as identified in Parts A and B. Specific locations to be determined once local applications are approved.
- (4) Performance Measures: Ten (10) blighted properties will be cleared and demolished.
- (5) Total Budget: \$1,000,000.00
- (6) Responsible Organization: York County Planning Commission  
Housing & Community Development Department  
28 East Market Street  
York, PA 17401-1580  
M. Chris Rafferty, Department Administrator
- (7) Projected Start Date: March 1, 2009
- (8) Projected End Date: February 28, 2014
- (9) Activity Description: This activity provides for the clearance and demolition of blighted properties in the areas identified in Part A. Specific activity locations within these areas will be determined once local applications are approved. YCPC staff will work with those communities identified as “areas of greatest need” to help identify eligible activities. Staff will then assist those property owners with the application process. All applications will be submitted to staff and the York County Loan Committee for review and recommendation. Applications will then be submitted to the York County Commissioners for approval.

**Activity Name: Financing Mechanisms**

- (1) Activity Type: NSP Activity (A); CDBG Eligible Activity 24 CFR 570.206 Delivery Costs, 24 CFR 570.201(n) Direct Homeownership Assistance.
- (2) National Objective: Meets national objective benefiting low, moderate and middle-income persons, as defined in the NSP Notice (< 120 percent of area median income).
- (3) Location Description: Activities will be conducted within the areas of greatest need within the County as identified in Parts A and B. Specific locations to be determined once local applications are approved.
- (4) Performance Measures: Five (5) eligible homeowners will be assisted.
- (5) Total Budget: \$67,253.00
- (6) Responsible Organization: York County Planning Commission  
Housing & Community Development Department  
28 East Market Street  
York, PA 17401-1580  
M. Chris Rafferty, Department Administrator
- (7) Projected Start Date: March 1, 2009
- (8) Projected End Date: February 28, 2014
- (9) Activity Description: This activity provides financial assistance for eligible homeowners. All applications will be submitted to staff and the York County Loan Committee for review and recommendation. Applications will then be submitted to the York County Commissioners for approval.

**Activity Name: Program Administration**

- (1) Activity Type: NSP Activity per HUD Notice; CDBG Eligible Activity 24 CFR 570.206 (a) – General Management and Oversight.
- (2) National Objective: N/A
- (3) Location Description: York County Planning Commission, 28 East Market Street, York PA 17401-1580
- (4) Performance Measures: N/A
- (5) Total Budget: \$200,000.00
- (6) Responsible Organization: York County Planning Commission  
Housing & Community Development Department  
28 East Market Street  
York, PA 17401-1580  
M. Chris Rafferty, Department Administrator
- (7) Projected Start Date: March 1, 2009
- (8) Projected End Date: February 28, 2014
- (9) Activity Description: General management and coordination of the Neighborhood Stabilization Program, including indirect and operation costs associated with the Program.

## CERTIFICATIONS

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

(2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

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

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

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

(8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) **Use NSP funds  $\leq$  120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

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

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

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

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

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




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

11/26/2008  
Date

President Commissioner  
Title

# Application for Federal Assistance

		2. Date Submitted 11/26/08	Applicant Identifier 18	
1. Type of Submission: Application: Non-Construction Preapplication:		3. Date Received by State	State Application Identifier	
		4. Date Received by Federal Agency	Federal Identifier	
5. Applicant Information				
Legal Name County of York DUNS #787721356		Organizational Unit York County Planning Commission		
Address 28 East Market Street York, PA 17401-1580 York		Contact Chris Rafferty (717) 771-9870		
6. Employer Identification Number (EIN) 23-6003050		7. Type of Applicant: County		
8. Type of Application: Type: New		9. Name of Federal Agency: U.S. Housing & Urban Development		
10. Catalog of Federal Domestic Assistance Number: Catalog Number: 14218 Assistance Title: Neighborhood Stabilization Grant		11. Descriptive Title of Applicant's Project: Assist in the redevelopment of abandoned and foreclosed homes.		
12. Areas Affected by Project: York County, Pennsylvania				
13. Proposed Project:		14. Congressional Districts of:		
Start Date 03/01/2009	End Date 02/28/2014	a. Applicant 19	b. Project 19	
15. Estimated Funding:		16. Is Application Subject to Review by State Executive Order 12372 Process?		
a. Federal	\$2,017,253	Review Status: Program covered		
b. Applicant	\$ 0	Date: 09/10/03		
c. State	\$ 0			
d. Local	\$ 0	17. Is the Applicant Delinquent on Any Federal Debt?		
e. Other	\$ 0	No		
f. Program Income	\$			
g. Total	\$ 2,017,253			
18. To the best of my knowledge and belief, all data in this application/preapplication are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.				
a. Typed Name of Authorized Representative Steve Chronister		b. Title President, Commissioner		c. Telephone Number (717) 771-9301
d. 		Signature of Authorized Representative		e. Date Signed 11/26/2008

**RESOLUTION OF THE BOARD OF COMMISSIONERS,  
COUNTY OF YORK, PENNSYLVANIA**

**WHEREAS**, the County of York, Pennsylvania, 2008 Annual Action Plan setting forth specific housing, community development, and homeless assistance projects and activities, was approved by the Board of Commissioners on October 30, 2007; and

**WHEREAS**, County has received notice from the U. S. Department of Housing and Urban Development of an award of \$2,017,253 in Neighborhood Stabilization Program (NSP) funds through Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) dated July 20, 2008, and

**WHEREAS**, the NSP regulations require the County to prepare a Substantial Amendment to the 2008 York County Annual Action plan setting forth the programs and activities it plans to undertake with NSP funds, and


**WHEREAS**, the County published a public notice about the Substantial Amendment in the York Newspapers and posted the notice on the websites for York County and the York County Planning Commission on November 11, 2008.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of York County, Pennsylvania, that the Substantial Amendment to the 2008 York County Annual Action Plan establishing the following activities and funding allocations for the York County Neighborhood Stabilization Program be approved:


Acquisition and Rehabilitation of Foreclosed or Abandoned Properties	\$ 750,000
Demolition of Blighted Properties	\$1,000,000
Financial Mechanisms	\$ 67,253
Program Administration (10%)	\$ 200,000

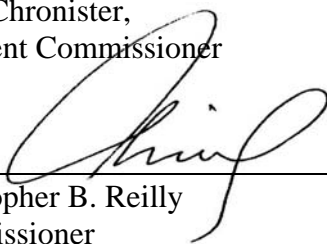
Approved this 26 th day of November, 2008.

ATTEST:

  
\_\_\_\_\_  
Charles R. Noll  
Chief Clerk/Administrator

BOARD OF COMMISSIONERS

  
\_\_\_\_\_  
Steve Chronister,  
President Commissioner

  
\_\_\_\_\_  
Christopher B. Reilly  
Commissioner

  
\_\_\_\_\_  
Douglas Hoke  
Commissioner