

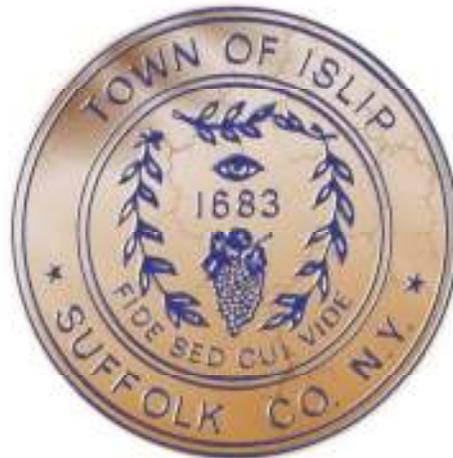
Town of Islip Consolidated Strategy and Plan Submission
For Housing and Community Development Programs



Substantial Amendment to 2010 Annual Plan



Neighborhood Stabilization Program NSP3



Islip Town Supervisor
Phil Nolan

BOARD OF DIRECTORS

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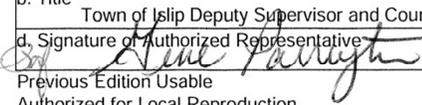
Town of Islip Community Development Agency
15 Shore Lane, P.O. Box 5587, Bay Shore, New York, 11706
Phone: (631) 665-1185 Fax: (631) 665-0036
www.islipcda.org

Contact Persons:

Paul Fink, Executive Director
Salvatore Matera, Assistant Director

APPLICATION FOR FEDERAL ASSISTANCE

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED 03/01/2011	Applicant Identifier B10-MN-36-0102
<input type="checkbox"/> Construction	<input type="checkbox"/> Pre-application	3. DATE RECEIVED BY STATE	State Application Identifier
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Non-Construction		
5. APPLICANT INFORMATION			
Legal Name: Town of Islip		Organizational Unit: Department: Town of Islip Community Development Agency	
Organizational DUNS: 06-803-4438		Division:	
Address: Street: 655 Main Street		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Islip		Prefix: Mr.	First Name: Paul
County: Suffolk		Middle Name A.	Last Name Fink
State: New York	Zip Code 11751	Suffix:	
Country:		Email:	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 11-6001931		Phone Number (give area code) 631-665-1185	Fax Number (give area code) 631-665-0036
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>		7. TYPE OF APPLICANT: (See back of form for Application Types) Municipal Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Community Development Block Grant - NSP		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Town of Islip		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Amendment to 2010 Annual Action Plan to apply for Neighborhood Stabilization Three Program.	
13. PROPOSED PROJECT Start Date: 07/01/2011 Ending Date: 06/30/2014		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 2nd and 3rd b. Project 2nd and 3rd	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 1,429,561.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:	
b. Applicant	\$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
c. State	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
d. Local	\$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
e. Other	\$.00		
f. Program Income	\$.00		
g. TOTAL	\$ 1,429,561.00		
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. Authorized Representative			
Prefix Honorable	First Name Gene	Middle Name	
Last Name Parrington		Suffix	
b. Title Town of Islip Deputy Supervisor and Councilman		c. Telephone Number (give area code) 631-224-5500	
d. Signature of Authorized Representative 		e. Date Signed	

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Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

INTRODUCTION

An amendment to the 2010 Annual Plan and 2010 to 2014 Consolidated Plan is required at this time, because additional funds have been made available by Congress to areas hit hard by sub-prime loans and foreclosures through the Dodd-Frank Wall Street Reform and Consumer Protection Act. This initiative, named the Neighborhood Stabilization Program Three (NSP3) by HUD, will provide up to \$1,429,561 in the Town of Islip to address these needs.

All funds under the NSP program will be used to acquire and renovate or reconstruct foreclosed homes in a small portion of Central Islip, located on the east side of Lowell Avenue, which we have designated as the “North Lowell Target Area.” This area was selected due to the extensive number of vacant and foreclosed properties, and the HUD requirement that applicants choose a small enough area, such that the funds will be able to make a visible difference in the community. Full details on target area selection can be found in Section 2, Areas of Greatest Need.

EXECUTIVE SUMMARY FROM 2010-2014 CONSOLIDATED PLAN

Community Profile

The Town of Islip, with an estimated population of 344,994 (per the Census Bureau’s 2006-2008 American Community Survey), contains sixteen hamlets and four incorporated villages in an area of 106 square miles. It is qualified as an “entitlement community” under the Housing and Community Development Act of 1974, and receives four annual HUD grants: Community Development Block Grant, HOME, Emergency Shelter Grant and Housing Opportunities for Persons with AIDS (HOPWA). It has also received funding in recent years under three stimulus programs: Community Development Block Grant – Recovery, Homelessness Prevention and Rapid Re-Housing, and Neighborhood Stabilization (first round).

Eighteen of the Town’s 72 census tracts were designated as low and moderate income according to the 2000 Census (2010 Census data is not yet available). Based on the 2006-2008 estimated Town population, over one third (35%) of the population earns less than 80% (low to moderate income) of the area median income. In addition, the population classified as minority increased from 28% of the population in the 2000 census to approximately 38% of the population.

Housing Needs

The Town of Islip is a well-developed community located in a high cost suburban area, where there are limited affordable housing opportunities for low income families. According to the 2006-2008 ACS, the median monthly housing costs for renters is \$1,435 and 59% of renters in Islip spend 30% or more of household income on housing. Approximately 25% of renters in Islip spend 50% or more of household income on housing.

The median value of owner-occupied units in the Town of Islip was \$417,400 in 2008. Suffolk County had a median value of \$442,600 during the same period of time. According to Trulia.com, a real estate search site, the average listing price of a housing unit in Islip was \$500,870 for the week ending March 3,

2010, and the median sales price from December 2009 to February 2010 was \$439,576. At these market rates, most of the units are beyond the reach of low income families.

Temporary emergency housing for homeless families seems to be adequate, but transitional and permanent affordable housing is needed. A shortage of Federal Housing Choice Vouchers and insufficient Shelter Allowance for social service recipients are contributing factors to this problem.

Community Development Needs

Generally, the Town of Islip is focusing its efforts toward what may be termed “community revitalization” in low and moderate income neighborhoods. Identified needs include: neighborhood clean-up, downtown and commercial revitalization and economic development, including job training. Special attention is also given to public service programs offered by not-for-profit agencies which operate in low and moderate income communities.

Housing Strategies

The Town of Islip has identified eight priorities having to do with housing and community needs, and has many programs to address its identified housing needs. More than half of the Town’s CDBG budget is allocated to housing needs and 100% of the funds from its other three grants are also allocated to housing needs.

The Town’s programs expand housing opportunities for very low, low and moderate income first-time homebuyers through the CDBG and HOME funded Rent-With-Option-to-Buy and Direct Sale programs. The Emergency Shelter Grant provides rental housing to homeless families as do certain projects within the CDBG and HOME Programs. HOPWA, through sub-recipient housing agencies, provides rental housing for those afflicted with AIDS.

Approximately \$550,000 or, one quarter of the CDBG budget is allocated to housing rehabilitation for low and moderate income homeowners.

Community Development Strategies

On the community development side, approximately thirteen percent (13%) of the CDBG budget is allocated to public service programs designed to break the cycle of poverty. Most public service funds are awarded to agencies that serve low and moderate income youths, with the remainder going to those serving special needs or illiterate adults.

Another ten percent (10%) is allocated to community improvement such as storefront renewals, code enforcement and public works. Most of these projects focus on the Town’s struggling downtown areas.

Action Plan

The One-Year Action Plan for 2010 detailed activities to meet the Town’s priorities as follows: code enforcement, housing rehabilitation, commercial rehabilitation, affordable housing, homeless and special needs housing, public services and removal of architectural barriers. All four grants are being used toward these ends.

1. NSP3 Grantee Information: Town of Islip, New York

NSP3 Program Administrator Contact Information	
Name (Last, First)	Fink, Paul (Executive Director)
Email Address	pfink@islipcda.org
Phone Number	631-665-1185 ext. 18
Mailing Address	Town of Islip Community Development Agency 15 Shore Lane PO Box 5587 Bay Shore, NY 11706

2. Areas of Greatest Need

Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as Appendix 2.

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.
Response: <ol style="list-style-type: none">1. HUD NSP3 Mapping Tool2. TRF Policy Map www.policymap.com3. HUD spreadsheet data on housing units, income characteristics, vacancy rates, mortgages, foreclosures, price changes and unemployment4. Long Island Profiles – 2010 data on lis pendens5. Central Islip Civic Council – January 2011 Survey of Vacant Properties in the Lowell Avenue Community6. <u>Newsday</u> – summaries of data from www.realtytrac.com

Determination of Areas of Greatest Need

Describe how the areas of greatest need were established.
Response: <p>The Federal Government through the U.S. Department of Housing and Urban Development has made it very clear that NSP3 funds are to be used in such a way as to make a focused impact in target communities. Their statistics indicate that while there have been in excess of 1.9 million foreclosures across the country in the past two years, only about 100,000 to 120,000 foreclosures will be able to be assisted with NSP funds from all three rounds of the program. This is only about 5 or 6 percent of the nationwide problem. In order to make a visible difference in communities through the use of NSP3 funding, HUD has established a goal that municipalities attempt to select small enough areas, in which approximately 20% of the foreclosed (REO) homes can be addressed.</p> <p>Suffolk County, and the Town of Islip, in particular, has been especially hard hit by the foreclosure crisis. RealtyTrak data reported by <u>Newsday</u> on July 15, 2010, indicates that Suffolk County has the highest foreclosure rate in all of New York State. <u>Newsday</u> also reported (May 7, 2010) that one-half of all of the</p>

high-cost mortgages on Long Island were in trouble. Two zip codes in the Town of Islip, Brentwood and Central Islip, were in the top five on long in terms of the number of nonprime distressed mortgages per 1,000 housing units.

The Town of Islip Community Development Agency (CDA) has been compiling and analyzing data supplied by Long Island Profiles regarding lis pendens and foreclosures for the past few years. Lis pendens are the documents that are filed by lenders against homeowners who have fallen into arrears in their mortgages. While many homeowners are able to come current on payments or sell their homes prior to foreclosure, the number of lis pendens filed is a window into the future in terms of neighborhood instability. Prior to 2008, there were less than 1,400 lis pendens filed in the Town each year, and less than 250 foreclosures. Since 2008, there have been over 2,000 lis pendens filed each year, and the cases that have resulted in foreclosures have more than doubled. While we do not have the actual number of homes that completed the foreclosure process for 2010, we have data indicating that approximately 110 were advertised for sale on the steps of Town Hall each month.

For the purposes of its original Neighborhood Stabilization Program application (NSP1), the Town selected three zip codes to target – the hamlets of Bay Shore, Brentwood and Central Islip. Our data indicates that these three areas alone make up about 70 percent of all of the lis pendens in the town, and over 80 percent of the completed foreclosures. All of these neighborhoods have high NSP3 Scores according to the HUD supplied data. This new NSP funding, in the amount of \$1,429,561, however, is not nearly sufficient to make an appreciable impact in all three neighborhoods simultaneously. It cannot even make an appreciable impact in one whole neighborhood. It was decided that all funds must go into just one highly targeted area.

In order to craft a highly targeted program, the Town has established goals for the NSP3 which are consistent with its Consolidated Plan and the original NSP application. These goals are: (1) To decrease the number of dilapidated and vacant units; (2) to increase the level of homeownership; and (3) to stabilize the population and property values in the target area. Our tools for accomplishing this are to establish a grantee-driven homeownership program for foreclosed homes which have been acquired and renovated or reconstructed by the CDA or a non-profit partner. Lease-purchase will also be available for otherwise eligible purchasers who lack only a down payment.

In order to determine which area to target, CDA staff looked at the three hardest hit portions of each of the NSP1 communities. We evaluated the data for the Sunnybrook area in Bay Shore, Regis Park in Brentwood, and the northern portion of Lowell Avenue in Central Islip. The Sunnybrook area was eliminated due to the fact that too few properties were available for purchase, its NSP3 Score was lower than the other two areas, it had fewer high cost mortgages, and it had a much lower loan delinquency rate. The Regis Park area was a very close second in need to the North Lowell area. Its income is lower than North Lowell, but it had slightly lower high-cost mortgages, slightly lower delinquency and foreclosure rates, and 60% fewer vacant properties according to the USPS data. While these two areas have not been selected to receive this extremely targeted NSP3 funding, all current CDA and Town programs will continue address the identified needs in these areas.

The North Lowell Target Area has a NSP3 Score of 20, which is the highest possible. It contains 989 housing units, and no commercial or industrial property. It is very close to the Central Islip train station, and has Suffolk County Transit bus service along its westerly and northern borders. TRF Policy Map data does not indicate any brownfield or superfund sites within the area, and there are no multifamily housing, public housing or tax credit properties either. 56.29% of the families have incomes below 80% of the Nassau-Suffolk median, and 83.95% have incomes below 120% of median. There were 738

mortgages originated in the area between 2004 and 2007, 47.34% of which were high-cost. 20.38% of the mortgagees were 90 days or more delinquent or in foreclosure. While house values have declined significantly throughout the nation and the Town of Islip, we suspect that the FHA's estimate of a 14.6% decline in house values is more of a regional number. Based upon the prices for houses which the CDA has acquired in the target area over the last two years, we feel that the cumulative decrease in house values is closer to 50%.

A January 2011 windshield survey by the Central Islip Civic Council identified 75 homes within the target area which appear to be vacant. Many of these homes are for sale by individuals or banks, and make up a substantial portion of 461 foreclosed homes that RealtyTrac says are currently on the market within the Central Islip zip code. Like HUD, RealtyTrac categorizes the target area as having the highest ratio of foreclosure actions to housing units.

A map of the North Lowell Target Area is included in Appendix 2 to this document along with the HUD generated NSP3 Planning Data. HUD estimates that at least 19 properties will need to be improved in order to make a visible impact.

The CDA estimates that the available funds will be sufficient to purchase 14 homes (10 for CDA and 4 for Habitat for Humanity) within the targeted area. In addition, the CDA currently owns five (5) eligible vacant homes within the targeted area, which are in various stages of renovation, using CDBG, HOME, and NSP1 funding. NSP3 funds will also be utilized in the partial renovation of these five (5) currently owned homes. It should be also noted that, the Community Development Corporation of Long Island and Long Island Housing Partnership each currently has one home under renovation within the area under using NSP1 funding. Are current estimate is that 19 homes will be assisted with NSP3 funding. Furthermore, the CDA anticipates acquiring at least two or three additional properties each year over the next few years, depending upon funding levels and market conditions.

In summary, we feel that we have the right strategy, and that the North Lowell Target Area is the right size, for us to make an appreciable impact given the time frame and available funding.

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	<p>The State of New York has a definition of "Unsafe Structures and Equipment" under Section 107 of the Fire Code of New York State:</p> <p style="padding-left: 40px;">"An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or to the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire; or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, or structurally unsafe; or is of such faulty construction or unstable foundation that partial or complete collapse is possible."</p> <p style="padding-left: 40px;">"Unsafe equipment includes any boiler, heating equipment, elevator, moving stairway, electrical wiring or device, flammable liquid</p>

	<p>containers or other equipment on the premises or within the structure that is in such disrepair or condition that the equipment is a hazard to life, health, property or safety of the public or occupants of the premises or structure.”</p> <p>The Town of Islip proposes to use the New York State definition of “Unsafe Structures and Equipment” as our definition of a “blighted structure.” It should be noted, however, that many structures have deferred maintenance and defects of a substantial nature, but that would not yet be considered “unsafe.” While such less blighted structures would probably not be candidates for demolition, we will be looking for foreclosed homes requiring this level of rehabilitation for inclusion in our program.</p>
Affordable Rents	<p>The Town of Islip is not currently proposing to provide rental housing under the NSP3 program due to the high level of absentee ownership of dilapidated rental homes prevailing in the target community and contributing to its decline. As is noted in the description for Activity 1, however, we are leaving the possibility of leasing the houses we renovate for a limited period of time in the event that we are not able to attract a sufficient number of qualified purchasers through our marketing and lottery. In addition, otherwise qualified purchasers, who lack sufficient down payments, may be offered our Rent With Option to Buy Contract.</p> <p>In the event that any houses are to be rented, rather than sold, we will follow an affirmative marketing plan and include outreach to potential applicants who are unlikely to be reached through typical advertising.</p> <p>The Town of Islip proposes to use various levels of HOME Program Rents as our definition of “Affordable Rents.”</p> <p>For projects designed for renters with incomes below 50% of the Nassau-Suffolk MSA Median Family Income, we will use the “Low HOME Rent Limit;” for projects designed for renters with incomes between 50% and 80% of median income, we will use the “High HOME Rent Limit;” and for families between 80% and 120% of median income, we will use the “Fair Market Rent.” In addition, if a unit has project based rental assistance associated with it, we will allow the “Fair Market Rent” to be used, regardless of the income of the tenant. This is because the Section Eight program rules insure that the tenant does not have to pay more than 30% of his or her income toward housing costs.</p> <p>While no absolute guarantee can be made regarding the ultimate long term affordability of rental units without the provision of a continual subsidy, such as a public housing or Section Eight program, use of the HOME Program Rents assures that the units remain reasonably affordable to a wide selection of potential tenants within the target income ranges, and that all tenants of the targeted low income units will have incomes below 50% of median.</p>

Descriptions

Term	Definition
Long-Term Affordability	<p>The requirement for “Continued Affordability” in the context of homeownership units under the Neighborhood Stabilization Program appears to refer more to the initial purchaser of an assisted home, rather than in the subsequent purchasers of the home, but the Town of Islip proposes to address both the initial and subsequent purchasers in accordance with 24 CFR 92.254 and as follows:</p> <p>Continued affordability will be maintained for the initial purchasers due to our requirement that only fixed interest rate mortgages will be used, and due to the provision of soft second subsidy mortgages, as necessary, to ensure that the purchasers will not have to pay more than 33% of their incomes toward principal, interest, taxes and insurance. All purchasers will also be required to complete eight hours of homebuyer counseling, dealing with the financial, credit, and legal aspects of acquiring and maintaining a home. In addition, banks who provide financing for the program must agree to comply with the “bank regulators’ guidance for non-traditional mortgages,” as stipulated in the HUD Notice.</p> <p>Affordability can never be 100% guaranteed in an ownership situation, because there are always circumstances beyond the control of the purchaser and the municipality. These include the possibility of rapidly increasing utility costs, and increases in school or other property taxes. They also include the possibility of changes in incomes or expenses of the purchasers, due to job changes or losses, adding new household members, or college and medical expenses. Our program design will control the fixed costs, while variable costs will have to be borne by the purchasers, as with all homeowners whether government assisted or not.</p> <p>Insofar as continued affordability to subsequent purchasers of the homes is concerned, there will not be an absolute requirement for affordability to a target income group. Rather, we will make all soft subsidy mortgages permanent, and payable upon sale or other transfer of the property. If allowed by the regulations and appropriate at the time of sale, the CDA will consider transferring the NSP3 soft second mortgage to a subsequent purchaser within the target income range. If, on the other hand, it is determined that all subsidies must be returned to the Treasury at the time of re-sale, the homes will be re-sold regardless of the income of the subsequent purchasers. It should be noted, however, that due to the modest income nature of the target area, and the higher income levels allowed for participation in the NSP, it is likely that subsequent sales will be to families earning less than 120% of MFI regardless of subsidy repayment or transferability. In short, the unit will either remain permanently affordable, or all federal subsidy mortgages will be repaid at the time of the sale to an ineligible family.</p>

Housing Rehabilitation Standards	All houses rehabilitated under the Neighborhood Stabilization Program will: (1) meet Housing Quality Standards; (2) meet the New York State Uniform Fire Prevention and Building Code; and (3) conform to the Town of Islip Community Development Agency Master Specifications which have been developed for all of our HUD funded rehabilitation programs. In addition, efforts will be made to replace all appliances and fixtures with Energy Star labeled units, and, all units which undergo gut rehabilitation or reconstruction (the vast majority) will be built to new housing Energy Star standards. Green building materials will be specified wherever practicable. Houses will also be tested for lead based paint and abated, as necessary, in accordance with current CDBG regulations.
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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 = \$ 357,391

Meeting Low-Income Target

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

Response:

Twenty-five percent of the funds under this NSP3 application are being set aside for Activity Number 2, Affordable Housing for Low Income First Time Homebuyers. Under this activity, \$357,391 in grant funds will be used by Habitat for Humanity of Suffolk, Inc., to purchase foreclosed homes within the North Lowell Target Area. Habitat will renovate these homes to program standards, using volunteer labor and donations, and sell them to families meeting the low-income guidelines. A substantial portion of the NSP3 funds will be “left in” the homes in the form of soft mortgages.

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., ≤ 80% of area median income)?	No
---	----

If yes, fill in the table below.

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

6. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.
<p>Response:</p> <p>A public notice was placed in the Suffolk Edition of <u>Newsday</u> on February 8, 2011, informing the general public regarding the basics of the NSP3 Program, and informing them that the draft plan was available for review or download on the Community Development Agency’s website (www.islipcda.org) and available in hard copy at the CDA office. The public notice also established a fifteen day comment period through February 23, 2011.</p>

Summary of Public Comments Received.

No oral or written comments were received.

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	Affordable Housing for First Time Homebuyers
Uses	Select all that apply:
	<input checked="" 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 type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	24 CFR 570.201(a) acquisition, and (b) disposition, as well as 24 CFR 570.202 rehabilitation
National Objective	Low Moderate Middle Income Housing (LMMH)
Activity Description	<p>This project will entail the acquisition and rehabilitation or reconstruction of foreclosed houses within the target community for rental or sale to families earning between 50% and 80% of median income. This will serve our goals to decrease the number of dilapidated and vacant units in the target area, to increase the levels of homeownership, and to help to stabilize the population and property values.</p> <p>CDA staff will carefully inspect each house to determine the scope of required renovations, and an architectural firm will be hired to prepare the plans. Private contractors will bid to perform the renovation work. Purchasers will be selected through a lottery, and will be given one or two mortgages to assist in the purchase. The first mortgage will be at 5% interest over 30 years, and the second mortgage (if needed) will be a non-interest bearing non-payment mortgage that will only become due upon transfer of the property. The amount of the second mortgage will be calculated so as to insure that the principal, interest, taxes and insurance (PITI) do not exceed 33% of the purchaser’s income. This will help to ensure continued affordability.</p> <p>All purchasers will also be required to complete eight hours of homebuyer counseling, dealing with the financial, credit, and legal aspects of acquiring and maintaining a home.</p> <p>It is the Town’s intention to sell all of the houses to first time homebuyers. If, however, the market falters to the point that there are an insufficient number</p>

	<p>of interested purchasers, it may be necessary to rent the homes to income qualified families until the market improves and the backlog of houses for sale in the communities is greatly reduced.</p> <p>This activity is not designed to meet the low income housing requirement for those below 50% of area median income.</p> <p>The size of the Lowell Avenue North Target Area is very small (part of one Census Tract) and contains no commercial properties. As a result, it is unlikely that we will be able to find many contractors in the immediate neighborhood, unless they work out of their houses. Nevertheless, we will make a strong effort to solicit contactors from the target area and surrounding community through advertising and outreach to community groups. We will also require that if the contractors need to hire anyone, they provide us with a plan and documentation of their efforts to recruit from within the target area.</p> <p>The acquisition for this activity is not expected to result in any displacement or relocation. If, for any reason, it is determined that the Uniform Relocation Act applies to an acquisition, all notice and payment requirements of the URA will be followed.</p>	
Location Description	Lowell Avenue North Target Area	
Budget	Source of Funding	Dollar Amount
	NSP3	\$929,214
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$929,214	
Performance Measures	15 homes to be assisted - 10 housing units to be acquired using NSP3 funds. Renovation of these 10 homes will be completed using CDBG and HOME funds. 5 homes previously acquired with NSP1 funds will be partially renovated using NSP3 funds. All 15 homes will be reconstructed using current energy star standards and sold to LMMH qualified families.	
Projected Start Date	07/01/11	
Projected End Date	06/30/14	
Responsible Organization	Name	Town of Islip CDA
	Location	15 Shore Lane PO Box 5587 Bay Shore, NY 11706
	Administrator Contact Info	Paul Fink, Executive Director 631-665-1185 ext. 18 pfink@islipcda.org

Activity Number 2	
Activity Name	Affordable Housing for Low Income First Time Homebuyers
Use	Select all that apply:
	<input checked="" 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 type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	24 CFR 570.201(a) acquisition, and (b) disposition, as well as 24 CFR 570.202 rehabilitation
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)
Activity Description	<p>This project will entail the acquisition and rehabilitation or reconstruction of foreclosed houses within the target community for rental or sale to families earning less than 50% of median income. This will serve our goals to decrease the number of dilapidated and vacant units in the target area, to increase the levels of homeownership, and to help to stabilize the population and property values.</p> <p>Habitat for Humanity staff will carefully inspect each house to determine the scope of required renovations, and their in-house architectural staff will prepare the renovation plans. Volunteers will perform the work under the professional supervision of Habitat staff. Purchasers will be selected through a thorough outreach and screening process, and will be given at least two mortgages to assist in the purchase. The first mortgage will be at 0% interest over 20 to 30 years, and the second mortgage will be both non-interest bearing and non-payment, that will only become due upon transfer of the property. The amount of the second mortgage will be calculated so as to insure that the principal, interest, taxes and insurance (PITI) do not exceed 30% of the purchaser's income. This will help to ensure continued affordability.</p> <p>All purchasers will also be required to complete eight hours of homebuyer counseling, dealing with the financial, credit, and legal aspects of acquiring and maintaining a home.</p> <p>This activity is designed to meet the low income housing requirement for those below 50% of area median income.</p> <p>The size of the Lowell Avenue North Target Area is very small (part of one Census Tract) and contains no commercial properties. In addition, Habitat for Humanity performs the vast majority of the work themselves, without the need for private contractors. As a result, it is unlikely that they will need to hire private contractors. Nevertheless, we will ask them to make a strong effort to solicit contactors, if needed, from the target area and surrounding community through advertising and outreach to community groups. We will also require that if they, or any contractors they do use, need to hire anyone, they provide us with a plan and documentation of their efforts to recruit from within the target area.</p>

	The acquisition for this activity is not expected to result in any displacement or relocation. If, for any reason, it is determined that the Uniform Relocation Act applies to an acquisition, all notice and payment requirements of the URA will be followed.	
Location Description	Lowell Avenue North Target Area	
Budget	Source of Funding	Dollar Amount
	NSP3	\$357,391
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$357,391	
Performance Measures	4 housing units to be acquired and renovated or reconstructed for low income qualified families	
Projected Start Date	07/01/11	
Projected End Date	06/30/14	
Responsible Organization	Name	Habitat for Humanity of Suffolk, Inc.
	Location	643 Middle Country Rd. Middle Island, NY 11953-2509
	Administrator Contact Info	Daniel Walker, Executive Director 631-924-4966 ext. 102 dan@habitatsuffolk.org

Activity Number 3		
Activity Name	Administration and Planning	
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 570.205 and 570.206	
National Objective	Not Applicable	
Activity Description	General administration and planning relating to the implementation of the two other activities, plus reporting and monitoring.	
Location Description	Not Applicable	
Budget	Source of Funding	Dollar Amount
	NSP3	\$142,956
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$142,956	
Performance Measures	Not Applicable	
Projected Start Date	07/01/11	
Projected End Date	06/30/14	
Responsible Organization	Name	Town of Islip CDA
	Location	15 Shore Lane PO Box 5587 Bay Shore, NY 11706
	Administrator Contact Info	Paul Fink, Executive Director 631-665-1185 ext. 18 pfink@islipcda.org

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

February 25, 2011
Date

Gene Parrington
Deputy Supervisor and Councilman
Title

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?	X

2. Areas of Greatest Need

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

<ul style="list-style-type: none"> • Affordable rents, • Ensuring long term affordability for all NSP funded housing projects, • Applicable housing rehabilitation standards for NSP funded projects 	X
	X
	X

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?	X
Did you provide a summary describing how your jurisdiction will meet its low-income set aside goals?	X

5. Acquisition & Relocation

	Yes
For all acquisitions that will result in displacement did you specify:	
<ul style="list-style-type: none"> • The planned activity, 	X
<ul style="list-style-type: none"> • The number of units that will result in displacement, 	X
<ul style="list-style-type: none"> • The manner in which the grantee will comply with URA for those residents? 	X

6. Public Comment

	Yes
Did you provide your draft of the NSP3 substantial amendment for a minimum of 15 days for public comment?	X
Did you include the public comments you received on the NSP3 substantial amendment in your plan?	X

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?	X
For each eligible NSP3 activity you plan to implement did you include:	

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

8. Certifications

	Yes
Did you sign and submit the certification form applicable to your jurisdiction?	X

9. Additional Documentation

	Yes
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**APPENDIX 2
NORTH LOWELL TARGET AREA**

Tract Number: 36103146404
Tract NSP3 Need Score: 20
State Minimum Qualifying NSP3 Score: 16
HMDA Mortgages 2004 to 2007: 684
Estimated Delinquent Mortgages (%): 18.5
Total USPS Residential Addresses: 1011
USPS Residential Addresses Vacant 90+ days 17
USPS Residential Addresses NoStat 3



Neighborhood ID: 4679321

NSP3 Planning Data

Grantee ID: 3631600E
Grantee State: NY
Grantee Name: ISLIP TOWN
Grantee Address: 15 Shore Lane Bay Shore NY 11706
Grantee Email: pfink@islipcda.org

Neighborhood Name: North Lowell
Date: 2010-12-10 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: 20
State Minimum Threshold NSP3 Score: 16
Total Housing Units in Neighborhood: 989

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 83.95
Percent Persons Less than 80% AMI: 56.29

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: 840
Residential Addresses Vacant 90 or more days (USPS, March 2010): 41
Residential Addresses NoStat (USPS, March 2010): 0

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: 738
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 47.34
Percent of Housing Units 90 or more days delinquent or in foreclosure: 20.38
Number of Foreclosure Starts in past year: 94
Number of Housing Units Real Estate Owned July 2009 to June 2010: 9

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): 19

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): -14.6
Place (if place over 20,000) or county unemployment rate June 2005*: 4
Place (if place over 20,000) or county unemployment rate June 2010*: 6.8
*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

-73.192506 40.790257 -73.186240 40.790777 -73.186455 40.791687 -73.182893 40.792142 -73.179889
40.780509 -73.190489 40.779469

Blocks Comprising Target Neighborhood

361031464031000, 361031464031007, 361031464031009, 361031464031008, 361031464031006,
361031464031001, 361031464031003, 361031464031004, 361031464031005, 361031464031002,
361031464032000, 361031464032002, 361031464032003, 361031464032005, 361031464032007,
361031464032009, 361031464032011, 361031464032013, 361031464032019, 361031464032018,
361031464032017, 361031464032016, 361031464032015, 361031464032014, 361031464032012,
361031464032010, 361031464032008, 361031464032006, 361031464032004, 361031464032001,
361031464033000, 361031464033005, 361031464033007, 361031464033009, 361031464033013,
361031464033011, 361031464033010, 361031464033008, 361031464033006, 361031464033004,
361031464033001, 361031464033002, 361031464033003, 361031464041016