

**NASSAU COUNTY
URBAN COUNTY CONSORTIUM**



**NEIGHBORHOOD STABILIZATION PROGRAM
SUBSTANTIAL AMENDMENT
TO THE
ANNUAL ACTION PLAN**

HUD FY 2008

Preface
The NSP Substantial Amendment

The Neighborhood Stabilization Program (NSP) Substantial Amendment is an amendment to the Nassau County Consolidated Plan and 2008 Annual Action Plan as submitted to the U.S. Department of Housing and Urban Development (HUD). The amendment addresses supplemental funds from the HUD NSP Program for the redevelopment of abandoned and foreclosed homes under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA). As required by HUD, the complete submission contains the following:

- (1) The NSP Substantial Amendment
- (2) Signed and Dated Certifications
- (3) Signed and Dated SF-424
- (4) NSP Substantial Amendment Checklist

The Substantial Amendment is also available at:

<http://www.NassauCountyNY.gov/Agencies/OHIA/index.html>

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Funding Matrix

The applicant must provide the funding matrix shown below, listing each program for which HUD funding is being requested, and complete the certifications.

Grant Program*	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Title Share	Other:	Program Income	Total
NSP	\$7,757,912							\$775,792	\$8,544,708
Grand Totals	\$7,757,912							\$775,792	\$8,544,708

* For PHIPs, show both initiative and component

Certifications

I certify, to the best of my knowledge and belief, that no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LL, Disclosure Form to Report Lobbying. I certify that I shall require all sub-awards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly.

Federally-recognized Indian Tribes and trusty designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute's coverage.

This application incorporates the Assurances and Certifications (HUD-424) attached to this application or renewals and incorporates for the funding you are seeking the Assurances and Certifications currently on file with HUD. To the best of my knowledge and belief, all information in this application is true and correct and constitutes material representation of fact upon which HUD may rely in awarding the agreement.

25. Signature of Authorized Official: Name (printed): Patrick G. Duggan

Title: Deputy County Executive Date: (mm/dd/yyyy)

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): Nassau County Jurisdiction Web Address: http://www.NassauCountyNY.gov/Agencies/OHIA/index.html	NSP Contact Person: Rosemary Olsen, Director Nassau County Office of Housing & Intergovernmental Affairs Address: 40 Main Street, Suite 300, Hempstead, NY 11550 Telephone: (516) 572-1915 Fax: (516) 572-1983 Email: NassauOHIA@nassaucountyny.gov
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A. AREAS OF GREATEST NEED

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

Response:

To identify the areas of greatest need throughout the county, all Census Block Groups were analyzed in terms of foreclosures, sub-prime/high cost loan concentration, and projected foreclosure risk. Data was derived from a report developed by HUD, the Foreclosure and Abandonment Risk Score Report. The HUD data was mapped (see Map 1), and each census block group was ranked by risk score 1 through 10, with 10 being the highest risk and 1 the lowest. The Nassau County Office of Housing and Intergovernmental Affairs (OHIA) established the following criteria for neighborhood risk: block groups ranked 8 to 10 as very high risk; 6 to 7 as high risk; 4 to 5 as moderate risk; and 1 to 3 as low risk.

Foreclosures:

Nassau County was analyzed for foreclosures in terms of the ratio of area foreclosures to area number of housing units. This analysis is shown graphically in Map 2. Review of the mapping and the supporting databases show high rates of foreclosures (greater than 5%) in the block groups comprising the neighborhoods of Elmont, North Valley Stream, Inwood, Lakeview, Baldwin, Roosevelt and Uniondale, which are located in the unincorporated Town of Hempstead, and the Villages of Freeport, Hempstead, South Floral Park, and East Garden City, as well as New Cassel (an unincorporated area in the Town of North Hempstead) (See Map 2).

Subprime/High Cost Loan Concentrations:

Newsday reported in November 2007 that nearly one-third of the 107,000 mortgages given to Long Islanders in 2006 were high-cost loans, which charge higher interest rates, fees and points and are more likely to go into foreclosure.¹

Nassau County was analyzed for foreclosures in terms of concentrations of loan with subprime originations. This analysis based on Home Mortgage Disclosure Act data is shown graphically in

¹ Marshall, Randi, F.. "The Far Reaching Effects of Subprime Fallout." *Newsday*, November 11, 2007.

Map 3. Review of the mapping and the supporting databases show high concentrations of these loans in the block groups comprising the neighborhoods of Elmont, Lakeview, Uniondale and Roosevelt (which are located in the unincorporated areas of the Town of Hempstead), the Village of Hempstead and a portion of New Cassel (an unincorporated area in the Town of North Hempstead).

Additionally, the New York State Banking Department data identifies the top 20 zip codes for Subprime Foreclosures (Table 1) and Subprime Originations (Table 2), in Nassau County.

According to data provided by the Empire Justice Center in October 2007, 4,881 loans were in foreclosure, or 30 days or more late in Nassau County. Of the 4,881 loans, 60% are located in the top ten zip codes including:²

- West Hempstead with 475 loans in foreclosure or over 30 days late;
- Freeport with 417 loans in foreclosure or over 30 days late; and
- Elmont with 399 loans in foreclosure or over 30 days late.³

Concentration of Projected Foreclosure Increases:

Nassau County was analyzed for foreclosures in terms of the HUD data on the predicted 18-month foreclosure increases. This analysis is shown graphically in Map 4. Review of the mapping and the supporting databases show the highest concentrations of projected foreclosure increases are in the neighborhoods of Elmont, Roosevelt, South Hempstead, and Inwood, which are located in the unincorporated areas of the Town of Hempstead, as well as in a portion of New Cassel, an unincorporated area in the Town of North Hempstead.

Special Areas of Greatest Need:

Nassau County OHIA has analyzed all areas of the county in terms of the NSP criteria of foreclosures, subprime loans, and projected foreclosures. In addition, vacancy conditions and community development resources currently in place were reviewed. Based on this analysis, Nassau County has identified neighborhoods throughout the County that exhibit greatest need for neighborhood stabilization through redevelopment of abandoned and foreclosed homes based on the HUD criteria discussed above including the Town of Hempstead, Freeport, and Valley Stream. As isolated potential projects arise, they will be reviewed based on the mentioned above criteria, including the the redevelopment and neighborhood stabilization potential of a project or projects.

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

² Maker, Ruhi, "Curbing the Mortgage Meltdown: The Impact of Foreclosures on New York's Economy and on Upstate and Long Island Communities." Empire Justice Center. March 2008

³ Maker, Ruhi, "Curbing the Mortgage Meltdown: The Impact of Foreclosures on New York's Economy and on Upstate and Long Island Communities." Empire Justice Center. March 2008.

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

Response:

According to the research firm PropertyShark.com, one in every 932 homes in Nassau County is scheduled for auction. Nearly 90% of the 336 Nassau County properties that went to auction went back to the bank that made the original loan. This leaves a growing supply of vacant and unsold properties that the banks must try to resell. This trend is most visible in the boarded-up homes in areas like Hempstead Village, where there have been 60 foreclosures.⁴

The use of NSP funds will be targeted to certain areas most impacted by foreclosures. Block groups depicted on Map 1 show those areas with Estimated Foreclosure and Abandonment Risk Scores of 8, 9 and 10. These areas are also predicted to be affected with relatively high foreclosure rates (greater than 5%) and have high rates of subprime/high cost loan concentrations (greater than 46%). All of these areas are forecasted to be highly affected by foreclosures for the next 18 months and will be targeted for NSP funds.

Nassau County will use NSP funds to provide assistance fully or in part for the purchase of abandoned and/or foreclosed upon single-family or multi-family structures and rehabilitate them, if necessary, to meet residential rehabilitation guidelines and local building codes. Properties will be made available for rent or resale to eligible households.

Nassau County will encourage rehabilitation that improves the energy efficiency and/or conservation of the units to which funding is applied. In addition, Nassau County will use funding for projects that provide long-term affordability, increased sustainability and attractiveness of housing and neighborhoods.

A minimum of 25% of the NSP funds allocated to Nassau County, plus a minimum of 25% of generated program income, will be used for housing individuals and families whose incomes do not exceed 50% of Area Median Income adjusted for family size.

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

A structure is considered blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a potential threat to human health, safety, and public welfare, and/or major defects to several building components, such as rood, foundation, siding, etc.

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

Response:

⁴ Marcelle S. Fischler, “Vacant, With Much to Maintain,” *New York Times*, 19 Oct. 2008.

Affordable rents for each rental property will be determined based on the target population that will inhabit that particular project. Maximum rents will not exceed HUD Fair Market Rents (FMR) and may be lower. Requests for proposals will be accepted for different projects with a diverse targeted population. Every assisted unit will be subject to rent limits designed to help make rents affordable to the target population.

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

Response:

Rental properties will have subordinate NSP mortgages filed with the deed that will restrict the rent and use of the property for a term that meets or exceeds HOME requirements.

For homebuyer assistance programs, NSP mortgages will be filed that mirror the affordability guidelines in the HOME downpayment assistance program.

The Neighborhood Stabilization Program assisted properties will be monitored by County OHIA staff through verification and inspections annually or otherwise required.

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

Response:

All NSP assisted properties will meet OHIA's written residential rehabilitation standards. These standards are based on the County's 30 years of rehabilitation program assistance under the Community Development Block Grant Program. All deteriorated or substandard components will be addressed. The cost of improvements will not exceed 50% of the assessed or appraised value of the structure prior to the improvements being made. All repairs and improvements will be designed to be permanent in nature.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

Nassau County proposes to spend a minimum of 25% of the total NSP allocation to provide housing for households at or below 50% of the area median income. The County is projecting that program income derived from Program activities will total approximately 10% of its NSP allocation. Thus, 25% of its allocation plus program income, is estimated to be \$2,136,177. It is estimated that a minimum of four homes will be acquired and rehabilitated and made available to families in the income category. The units available to families at or below 50% of AMI will be rental units or homeownership units constructed under the Habitat for Humanity Program or Section 8 Homeownership Program.

E. ACQUISITIONS & RELOCATION

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

If so, include:

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

Response:

We plan to review the inventory of REOs, tax lien properties and other foreclosed and abandoned homes to determine the level of rehabilitation necessary to bring the home up to a standard for sale and rental. In the event that the rehabilitation expenses exceed 50% of the cost of the property, the County will consider the option of demolition.

Habitat for Humanity is interested in redeveloping one or more properties that would be either demolished or substantially rehabilitated for their homeownership program. Habitat for Humanity's income target is at or below 50% of area median income.

Scattered Site Single Family Homes:

Nassau County intends to work with banks that have REO properties in targeted neighborhoods. The County Executive intends to encourage these banks to enter into a private/public partnership where we work with the banks on rehabilitating REOs and assist in the sale of these REOs through a pipeline of pre-qualified homebuyers.

Nassau County intends to review each targeted area mentioned above and review the list of foreclosures provided by the banks to determine whether the dwelling needs to be rehabilitated, demolished, or converted to meet the needs of the community.

- Nassau County is working closely with the NYHOMES foreclosure working group. In addition, Nassau County participates in a Long Island NSP working group which includes governmental agencies, banks, and non profit organizations.
- Nassau County will assist in the marketing of Neighborhood Stabilization Homes to homebuyers and renters.
- Nassau County will be assisted by the Long Island Housing Partnership who will develop a pipeline of qualified homeowners through its Employer Assisted Housing Program as well as its First Time Homebuyers Program. The EAHP includes New York State HELP grant which provides downpayment assistance as well as a rehabilitation grant.

- Nassau County will work with the banks, non-profit and for-profit developers, and local municipalities on the acquisition/rehabilitation/sale of properties. Nassau recently issued a Request for Qualifications to determine the interest, ideas and capacity of organizations to undertake this program.
- Potential homeowners will participate in homeownership counseling through Nassau County's Homeownership Center and other HUD approved counseling agencies.
- NSP funds will be used for gap financing including needed rehabilitation for these homes.
- REOs will be identified through foreclosure sales, servicers, and public private partnerships with affordable housing developers.
- Nassau County does not anticipate any relocation issues as we intend to target foreclosed and abandoned homes.

Attached is Exhibit IV, Models A, B and C which entail typical financing scenarios for the sale of homes. The Models show that even with a discount from the servicers, gap financing is necessary to provide affordability to homeowners in the various income ranges.

Multifamily Housing:

Nassau County may also provide financial assistance to abandoned and blighted multifamily housing leveraging other housing funds for either substantial rehabilitation or demolition and new construction. Nassau County has a significant demand for quality affordable rental and ownership multifamily units. However, some developments have become so blighted and deteriorated that they do not meet HUDs housing quality standards. Even with conventional affordable housing financing, redevelopment is still too upside down to finance. Nassau County is considering utilizing a portion of NSP funds to provide much needed gap financing.

We are closely monitoring an extremely blighted and substantially abandoned apartment complex that is currently undergoing foreclosure. In the event that this property becomes an REO, we are considering leveraging NSP funds with other State and Federal funds to create new or substantially rehabilitated homes for low, moderate and middle income persons. If redeveloped, this project would include Low Income Housing Tax Credits, New York State HFA Grants, and HOME funds as well. The development would include units targeted to both 50% of AMI and 60% of AMI.

In addition, the County has some blighted and abandoned public housing developments and properties that could be redeveloped as affordable rental or homeownership housing. One development would set aside 20 units for Section 8 homeownership (up to 50% of AMI) and 20 units for middle income housing (up to 120% of AMI). This development would leverage other state and federal funds.

In addition to rentals serving the needs of households up to 50% of area median income, Nassau County anticipates that we may work on providing much needed rental housing for households up to 120% of area median income.

Homes Meeting the Needs of Low Income Households and Persons with Special Needs:

The purchase and rehabilitation of homes and residential properties to be used for rentals may be done through landbanking and working with non-profit housing service providers who provide services for persons with special needs, veterans and the homeless.

The Nassau County Office of Housing and Homeless Services administers the Housing Choice Voucher Program (Section 8) as a local administrator for NYS Division of Housing & Community Renewal. The Program helps low-income families afford both permanent rental housing, subsidizing a portion of the monthly rent, and homeownership.

F. PUBLIC COMMENT

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

The Nassau County OHIA distributed a Request for Qualifications to experienced housing providers and affordable housing developers to garner preliminary ideas with regard to the foreclosure programs and how the NSP grant might be used in Nassau County to address this problem. See Appendix II. From the responses to this RFQ, the County will develop a list of highly qualified organizations that will subsequently receive a Request for Proposals for participation in the implementation of this program.

Nassau County published a Public Notice and Solicitation of Public Comment on its official County website at: <http://www.NassauCountyNY.gov/Agencies/OHIA/index.html> on November 14, 2008, allowing for a 15-day comment period. A summary of citizen comments and appropriate responses is attached to this document as Appendix IX. The full text of this document, including any comments and responses, will also be available on the County's website for download by interested parties. Additional comments or responses received prior to the deadline will be summarized and submitted under separate cover if necessary.

G1. NSP INFORMATION BY ACTIVITY

(1) Activity Name: Program Administration

(2) Activity Type: Program Administration

NSP eligible use: General administration and planning activities related to the Neighborhood Stabilization Program throughout the Nassau Urban County Consortium.

CDBG eligible activity: 24 CFR 570.206; 24 CFR 570.205

(3) National Objective: Not Applicable

(4) Projected Start Date: January 2009

(5) Projected End Date: December 2012

(6) Responsible Organization:

Nassau County
Office of Housing and Intergovernmental Affairs
40 Main Street, Suite 300
Hempstead, NY 11550

(7) Location Description:

NC OHIA – 40 Main Street – 3rd Floor, Hempstead, NY 11550
NC OHHS – 40 Main Street – 1st Floor, Hempstead, NY 11550

(8) Activity Description:

Nassau County Office of Housing and Intergovernmental Affairs (OHIA) will oversee the analysis of the impact of the foreclosure crisis on high-impacted areas in the consortium. The OHIA, in coordination with the Nassau County Office of Housing and Homeless Services (OHHS), will conduct a review of proposals solicited from the non-profit and for-profit development communities and financial institutions and award funds to selected activities. The agencies will provide oversight and monitoring of the activities, conduct required environmental reviews, procure contractors in some instances and provide technical assistance where necessary. OHIA will also be responsible for ensuring long-term compliance with the affordability requirements of the NSP Program.

I. Total Budget: (Include public and private components): \$854,470

J. 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):

G2. NSP INFORMATION BY ACTIVITY

(1) Activity Name: Public Services – Housing Counseling

(2) Activity Type: Public Services – Housing Counseling

NSP eligible use: Homebuyer Counseling from a HUD-approved housing counseling agency.

CDBG eligible activity: 24 CFR 570.201(e)

(3) National Objective: Low/Mod/Middle Income Limited Clientele

(4) Projected Start Date: January 2009

(5) Projected End Date: December 2012

(6) Responsible Organization:

Nassau County
Office of Housing and Homeless Services
40 Main Street, 1st Floor
Hempstead, NY 11550

(7) Location Description:

NC OHHS – 40 Main Street – 1st Floor, Hempstead, NY 11550

(8) Activity Description:

In conformance with the requirements of the Neighborhood Stabilization Program, Nassau County will require each NSP-assisted homebuyer to receive and complete at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. The Nassau County Office of Housing and Homeless Services is such a HUD-approved agency and it is anticipated that it will provide the required counseling to each of the prospective homebuyers benefiting from the Neighborhood Stabilization Program.

I. Total Budget: \$761,980

J. Performance Measures:

Number of prospective purchasers and tenants of properties redeveloped under the NSP who have received at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency.

G3. NSP INFORMATION BY ACTIVITY

(1) Activity Name: Acquisition and Rehabilitation of Foreclosed Properties for Households at or Below 50% of Area Median Income

(2) Activity Type: Acquisition and Rehabilitation of Foreclosed Properties

NSP eligible use: Purchase and rehabilitate homes and residential properties that have been abandoned and foreclosed upon, in order to sell, rent or redevelop such homes and properties.

CDBG eligible activity: 24 CFR 570.201(a); 24CFR 570.201(b); 24 CFR 570.202

(3) National Objective: Low Income Limited Clientele

(4) Projected Start Date: January 2009

(5) Projected End Date: December 2012

(6) Responsible Organization:

Nassau County
Office of Housing and Intergovernmental Affairs
40 Main Street, Suite 300
Hempstead, NY 11550

Nassau County OHIA will oversee one or more local subrecipients (e.g. housing providers and affordable housing developers) to administer and implement the acquisition, rehabilitation and rent or resale activity. It is not known at the time of the submittal of this substantial amendment which organizations/partners will be used for this purpose. A Request for Proposals (RFP) and Notice of Funding Availability (NOFA) will be issued no later than January 2009 to procure services to implement this activity. It is anticipated that proposals will be accepted on a continuing basis until all funds are committed but no later than March 2010. It is expected that the funded activities will commence immediately upon commitment. Nassau County expects to provide financial assistance for approximately five (5) homes under this category.

(7) Location Description:

Nassau County will assist those areas defined in Section A. Areas of Greatest Need. The County will continue to monitor local foreclosure data and intends the NSP Program to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

The activity allows for the County to purchase or provide assistance fully or in part for the purchase of abandoned and/or foreclosed upon single-family or multi-family structures and rehabilitate them, if necessary, to meet residential rehabilitation guidelines and local building codes. This activity may be designated as a rental activity, homeownership activity or a combination of both.

A minimum of 25% of the total of NSP funds plus program income received will be used for housing individuals and families whose incomes do not exceed 50% of Area Median Income adjusted for family size.

Tenure of beneficiaries homeownership: This program will require long term affordability. Using the HOME affordability guidelines as a minimum, we anticipate either recapture or resale restrictions on each home. Nassau County may provide for longer affordability requirements. Affordability will be maintained through recapture mortgages, resale restrictions, deed restrictions, or the use of land trusts depending upon the individual project.

Discount: Properties acquired will have an average discount of 15% or more. We anticipate that properties in poorer condition and in weaker real estate resale areas may be acquired for a more significant discount, providing the opportunity to rehabilitate and sell or rent homes as affordable to a wider range of households.

Range of Interest Rates: Nassau County provides financing on tax credit projects with a low interest rate that accrues and is not payable until after the tax credit period ends. Our recapture mortgages on tax credit projects are used to ensure low term affordability.

I. Total Budget: \$2,136,177

J. Performance Measures:

Number of units of housing acquired or rented to households who earn no more than 50 percent of area median income. Those properties receiving rehabilitation assistance will be tracked as well.

G4. NSP INFORMATION BY ACTIVITY

(1) Activity Name: Acquisition and Rehabilitation of Foreclosed Properties for Households Earning Up to 120% of Area Median Income

(2) Activity Type: Acquisition and Rehabilitation of Foreclosed Properties

NSP eligible use: Purchase and rehabilitate homes and residential properties that have been abandoned and foreclosed upon, in order to sell, rent or redevelop such homes and properties.

CDBG eligible activity: 24 CFR 570.201(a); 24CFR 570.201(b); 24 CFR 570.202

(3) National Objective: Moderate and Middle Income Limited Clientele

(4) Projected Start Date: January 2009

(5) Projected End Date: December 2012

(6) Responsible Organization:

Nassau County
Office of Housing and Intergovernmental Affairs
40 Main Street, Suite 300
Hempstead, NY 11550

Nassau County OHIA will oversee one or more local subrecipients (e.g. housing providers and affordable housing developers) to administer and implement the acquisition, rehabilitation and rent or resale activity. It is not known at the time of the submittal of this substantial amendment which organizations/partners will be used for this purpose. A Request for Proposals (RFP) and Notice of Funding Availability (NOFA) will be issued no later than January 2009 to procure services to implement this activity. It is anticipated that proposals will be accepted on a continuing basis until all funds are committed but no later than March 2010. It is expected that the funded activities will commence immediately upon commitment. Nassau County expects to provide financial assistance for approximately forty-five (45) homes under this category.

(7) Location Description:

Nassau County will assist those areas defined in Section A. Areas of Greatest Need. The County will continue to monitor local foreclosure data and intends the NSP Program to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

The activity allows for the County to purchase or provide assistance fully or in part for the purchase of abandoned and/or foreclosed upon single-family or multi-family structures and rehabilitate them, if necessary, to meet residential rehabilitation guidelines and local building codes. This activity may be designated as a rental activity, homeownership activity or a combination of both.

Tenure of beneficiaries homeownership: This program will require long term affordability. Using the HOME affordability guidelines as a minimum, we anticipate either recapture or resale restrictions on each home. Nassau County may provide for longer affordability requirements. Affordability will be maintained through recapture mortgages, resale restrictions, deed restrictions, or the use of land trusts depending upon the individual project.

Discount: Properties acquired will have an average discount of 15% or more. We anticipate that properties in poorer condition and in weaker real estate resale areas may be acquired for a more significant discount, providing the opportunity to rehabilitate and sell or rent homes as affordable to a wider range of households.

Range of Interest Rates: Nassau County generally provides financing on tax credit projects with a low interest rate that accrues and is not payable until after the tax credit period ends. Our recapture mortgages on tax credit projects are used to ensure low term affordability.

I. Total Budget: \$4,592,080

J. Performance Measures:

Number of units of housing acquired or rented to households who earn between 50 percent and 120 percent of area median income. Those properties receiving rehabilitation assistance will be tracked as well.

G5. NSP INFORMATION BY ACTIVITY

(1) Activity Name: Demolition and Clearance of Foreclosed Properties

(2) Activity Type: Demolition and Clearance of Foreclosed Properties

NSP eligible use: Demolition and clearance of foreclosed properties that have been abandoned, for redevelopment for either residential or non-residential use.

CDBG eligible activity: 24 CFR 570.201(d)

(3) National Objective: Low/Moderate/Middle Income Area or Limited Clientele Benefit

(4) Projected Start Date: January 2009

(5) Projected End Date: December 2012

(6) Responsible Organization:

Nassau County
Office of Housing and Intergovernmental Affairs
40 Main Street, Suite 300
Hempstead, NY 11550

Nassau County OHIA will oversee one or more local subrecipients (e.g. housing providers and affordable housing developers) to administer and implement the acquisition, rehabilitation and rent or resale activity. It is not known at the time of the submittal of this substantial amendment which organizations/partners will be used for this purpose. A Request for Proposals (RFP) and Notice of Funding Availability (NOFA) will be issued no later than January 2009 to procure services to implement this activity. It is anticipated that proposals will be accepted on a continuing basis until all funds are committed but no later than March 2010. It is expected that properties acquired in compliance with the Program may be unsuitable for rehabilitation. In some instances the rehabilitation expenses may exceed 50% of the cost of the property. Consequently, the County will consider the option of demolition if the subject property meets the County's definition of a blighted structure. In such cases OHIA, in conjunction with the local municipality, will determine whether the cleared property is suitable for redevelopment as residential property or whether another, non-residential use is more appropriate. The County may assist in the demolition of approximately three (3) housing units.

(7) Location Description:

Nassau County will assist those areas defined in Section A. Areas of Greatest Need. The County will continue to monitor local foreclosure data and intend the NSP Program to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

The activity allows for the County to purchase or provide assistance fully or in part for the demolition and clearance of abandoned, foreclosed upon single-family or multi-family structures that meet the County's definition of blighted properties.

Tenure of beneficiaries homeownership: This program will require long term affordability. Using the HOME affordability guidelines as a minimum, we anticipate either recapture or resale restrictions on each home. Nassau County may provide for longer affordability requirements. Affordability will be maintained through recapture mortgages, resale restrictions, deed restrictions, or the use of land trusts depending upon the individual project.

Discount: Properties acquired will have an average discount of 15% or more. We anticipate that properties in poorer condition and in weaker real estate resale areas may be acquired for a more significant discount, providing the opportunity to rehabilitate and sell or rent homes as affordable to a wider range of households.

Range of Interest Rates: Nassau County generally provides financing on tax credit projects with a low interest rate that accrues and is not payable until after the tax credit period ends. Our recapture mortgages on tax credit projects are used to ensure low term affordability.

I. Total Budget: \$200,000

J. Performance Measures:

Number of units of housing demolished and the number of persons benefiting from the eventual redevelopment.

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 ≤ 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

Date

Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

<p>Jurisdiction(s): Nassau County</p> <p>Lead Agency</p> <p>Jurisdiction Web Address: http://www.nassaucountyny.gov/</p>	<p>NSP Contact Person: Rosemary Olsen, Director Nassau County Office of Housing & Intergovernmental Affairs</p> <p>Address: 40 Main Street, Suite 300, Hempstead, NY 11550</p> <p>Telephone: (516) 572-1915</p> <p>Fax: (516) 572-1983</p> <p>Email: rolsen@nassaucountyny.gov</p>
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction?

Yes No Verification found on page 4.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain 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?

Yes No Verification found on page 4-5.

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

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of “blighted structure” in the context of state or local law,
 Yes No Verification found on page 5.

- a definition of “affordable rents,”
 Yes No Verification found on page 5-6.

- a description of how the grantee will ensure continued affordability for NSP assisted housing,

Yes No Verification found on page 6.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?

Yes No Verification found on page 6.

D. INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No Verification found on page 10-17.
- correlated eligible activity under CDBG,
Yes No Verification found on page 10-17.
- the areas of greatest need addressed by the activity or activities,
Yes No Verification found on page 10-17.
- expected benefit to income-qualified persons or households or areas,
Yes No Verification found on page 10-17.
- appropriate performance measures for the activity,
Yes No Verification found on page 10-17.
- amount of funds budgeted for the activity,
Yes No Verification found on page 10-17.
- the name, location and contact information for the entity that will carry out the activity,
Yes No Verification found on page 10-17.
- expected start and end dates of the activity?
Yes No Verification found on page 10-17.

E. SPECIFIC ACTIVITY REQUIREMENTS

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,
Yes No Verification found on page 13, 15, 17.

If the activity provides financing,

- the range of interest rates (if any),
Yes No Verification found on page 13, 15, 17.

If the activity provides housing,

- duration or term of assistance,
Yes No . Verification found on page 13, 15, 17.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page 13, 15, 17.
- does it ensure continued affordability?
Yes No . Verification found on page 13, 15, 17.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 12-13.

F. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 6, 12-13.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page 6, 12-13.
Amount budgeted = \$2,136,177 *
* Includes anticipated Program Income

G. DEMOLISHMENT OR CONVERSION OF LOW- AND MODERATE-INCOME UNITS

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes No . (If no, continue to next heading)

Verification found on page 16-17.

Does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes No . Verification found on page 16.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes No . Verification found on page 14.

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
Yes No . Verification found on page 12.

H. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction’s usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes No . Verification found on page 24.

Is there a summary of citizen comments included in the final amendment?

Yes No Verification found on page _____.

I. WEBSITE PUBLICATION

The following Documents are available on the grantee’s website:

- SF 424 Yes No
- Proposed NSP Substantial Amendment Yes No
- Final NSP Substantial Amendment Yes No
- Subsequent NSP Amendments Yes No .

Website URL: <http://www.NassauCountyNY.gov/Agencies/OHIA/index.html> .

K. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds ≤ 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

EXHIBIT I

PUBLIC NOTICE AND SOLICITATION OF PUBLIC COMMENT NASSAU URBAN COUNTY CONSORTIUM

The County of Nassau hereby gives notice that a substantial amendment to the County's HUD-approved Action Plan for FY2008, prepared pursuant to the National Affordable Housing Act (42 USC Part 91) is available for public review and comment. The development of the Action Plan Amendment was undertaken by the Nassau County Office of Housing and Intergovernmental Affairs for the purpose of including supplemental funds to be allocated to the County from the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP). The funding is specifically target by HUD to the redevelopment of abandoned foreclosed homes. The Neighborhood Stabilization Program is governed by Title III of Division B of the Housing and Economic Recovery Act of 2008 under the Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes heading.

Major components of the proposed Action Plan Amendment include an assessment of the areas of greatest need definitions of key terms and a description of the intended use of the funding.

The proposed programs and activities to be implemented as part of the Amended Action Plan may be implemented by Nassau County, the 33 consortium communities, not for profit subrecipients, and for profit housing developers. Funding will be allocated by Nassau County through the use of a Request for Qualifications and a subsequent Notice of Funding Availability and Request for Proposals. The proposed FY2008 Action Plan Amendment includes a range of NSP-eligible activities that will be funded with the \$7,767,916 in Neighborhood Stabilization Program funds and additional program income expected to be generated.

The proposed Action Plan Amendment was posted on the Nassau County website on November 14, 2008 and is available for public review during a 15 day comment period extending through November 30, 2008. A full copy of the draft Action Plan Amendment is available starting on Friday, November 13, 2008 for public inspection and download at the official Nassau County website, listed below:

<http://www.NassauCountyNY.gov/Agencies/OHIA/index.html>

Comments must be submitted in writing by Friday, November 27, 2008 to:

Via Email: NassauCountyOHIA@NassauCountyNY.gov

Via Regular Mail: Rosemary A. Olsen, Director
Nassau County Office of Housing and Intergovernmental Affairs
40 Main Street — 3rd Floor
Hempstead, NY 11550

For further information, please contact Scottie Coads, (516) 572-1968.

**NASSAU COUNTY OFFICE OF HOUSING & INTERGOVERNMENTAL AFFAIRS
ROSEMARY A. OLSEN, DIRECTOR
PATRICK G. DUGGAN, DEPUTY COUNTY EXECUTIVE
THOMAS R. SUOZZI, COUNTY EXECUTIVE**



EXHIBIT II

Request for Qualifications

for

NEIGHBORHOOD STABILIZATION PROGRAM

in

Nassau County, New York

Issued By:
Nassau County
Office of Housing and Intergovernmental Affairs

November 2008

**Neighborhood Stabilization Projects
Request for Preliminary Proposals**

Table of Contents

Chapter	Page
I. The Request for Qualifications	1
II. Submission Requirements	2
III. Neighborhood Stabilization Program	3
IV. Administrative Information	5

I. THE REQUEST FOR QUALIFICATIONS

Nassau County will receive \$7,767,000 from the U.S. Department of Housing and Urban Development (HUD) under the recently authorized Neighborhood Stabilization Program (NSA). These funds will provide assistance to the County so that it can acquire and redevelop foreclosed and abandoned homes.

The Nassau County Office of Housing and Intergovernmental Affairs (OHIA) is gathering information in order to prepare an Action Plan amendment, which must be submitted to HUD by December 1, 2008. As part of the Action Plan, OHIA plans to indicate its intentions to work with experienced not-for-profit housing providers in the implementation of this program.

Information on the NSA program is attached in Section III of this RFQ.

The County requests that interested not-for-profit housing providers respond to this RFQ and provide information on their overall housing experience, including any experience with rehabilitation and reuse of abandoned properties. Experience with the management of rental properties, if any, should also be provided since portions of the NSA program will apply to both owner-occupied and rental housing.

Beyond just your experience, the County would also be interested in any preliminary ideas that you may have with regard to the foreclosure program and how the NSA grant might be used in Nassau County to address this problem.

From the responses to this RFQ, the County will develop a short-list of highly qualified not-for-profits who will subsequently receive a Request for Proposals for participation in the implementation of this program.

II. SUBMISSION REQUIREMENTS

If you are interested in potential involvement in this program, please submit three copies of your qualifications, experience and three references, along with a description of your preliminary thoughts on your organization's role in the County to:

Rosemary Olsen, Director
Nassau County Office of Housing and Intergovernmental Affairs
40 Main Street, Suite 300
Hempstead, NY 11550

Your material must be submitted by Friday November 7, 2008, no later than 4PM. E-mail submissions will not be accepted.

The County is not looking for extensive materials. A cover letter with an attachment will suffice.

III. NEIGHBORHOOD STABILIZATION PROGRAM

All activities funded under the program must be CDBG-eligible and must meet the CDBG low- and moderate-income national objective. Certain CDBG rules have been superseded to allow the eligible uses described under the Housing and Economic Recovery Act (HERA). This provision redefines and supersedes the definition of "low- and moderate-income" effectively allowing households with incomes up to 120% AMI (moderate income) to qualify.

A. Areas of Greatest Need

Applicants/Developers receiving NSP funds must give priority emphasis to the areas of greatest need within Nassau County including those:

- (1) With the greatest percentage of foreclosures,
- (2) With the highest percentage of homes financed by subprime mortgage related loans, and
- (3) Identified as likely to face a significant rise in the rate of home foreclosures.

To assist potential Applicants/Developers in identifying areas of greatest need, refer to the attachment entitled Foreclosure and Abandonment Risk Scores, which has been developed by HUD to assist in targeting the areas of greatest need.

B. Eligible Uses of NSP Funds

Each activity funded must be an NSP-eligible use of funds. The following are the main categories of non-administrative uses:

1. The purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties for eligible households.
2. Direct down payment/gap financing (including needed rehab) assistance to eligible homebuyers purchasing a foreclosed property (purchase counseling required from a HUD approved counseling agency).
3. Establishment of land banks for foreclosed homes in neighborhoods where property stabilization is required.
4. Demolition of blighted structures. A structure is considered blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.
5. Redevelopment of sites where there were vacant or demolished properties. New construction of housing is eligible as part of redevelopment.
6. Delivery costs, including: establishing financing mechanisms for purchase and redevelopment of eligible properties.

C. Income Limits

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.

- (1) All of the funds made available under the NSP are to be used with respect to individuals and families whose incomes do not exceed 120% of area median income.
- (2) 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.

IV. ADMINISTRATIVE INFORMATION

A. Issue Date And Office

The issue date of this request for preliminary proposals is Tuesday, October 28, 2008, by the Nassau County Office of Housing and Intergovernmental Affairs.

B. Inquiries

All inquiries should be directed to Rosemary Olsen, Director, Nassau County Office of Housing and Intergovernmental Affairs, 40 Main Street, Suite 300, Hempstead, NY 11550, telephone (516) 572-1905, email NassauCountyOHIA@nassaucountyny.gov.

C. Closing Date For Submission

The closing date for receipt of proposals is 4:00 p.m., Friday, November 7, 2008. Participants who submit their proposals by mail or delivery service should allow sufficient mailing and delivery time to ensure receipt by the time and date stated above.

D. Inquiries/Where To Submit

All proposals whether mailed or hand delivered, must be delivered to:

Nassau County Office of Economic Development
40 Main Street, Suite 300
Hempstead, NY 11550
Attn: Rosemary Olsen, Director, Office of Housing and Intergovernmental Affairs
NassauCountyOHIA@nassaucountyny.gov.

E. Public Openings

Submissions will not be opened publicly.

F. Expenses Incurred

Neither the County of Nassau nor OHIA shall be responsible for costs incurred by any prospective agency in preparing and submitting an RFQ submission or any requested supplemental information in response to review of the RFQ submission material.

G. Timetable

Upon receipt of materials, OHIA staff intends to review all submissions and select not for profits for further consideration. It is anticipated that a Request for Proposals (RFP) will be initiated within 60 to 90 days after submission of the RFQ materials.

EXHIBIT III

Table 1
Top 20 Subprime Foreclosures: Nassau County 1Q 2007 through 2Q 2008

	Community	Zip code	LIS	NFS	NOD	NTS	REO	Total Filings for Zip Code
1	Hempstead	11550	512	12	0	11	53	588
2	Freeport	11520	392	12	0	8	35	447
3	Elmont	11003	344	25	0	5	46	420
4	Valley Stream	11580	247	61	1	5	24	338
5	Westbury	11590	275	6	0	5	27	313
6	Roosevelt	11575	254	9	0	8	37	308
7	Baldwin	11510	235	30	0	5	14	284
8	Uniondale	11553	228	5	0	1	21	255
9	Massapequa	11758	183	33	0	1	13	230
10	Levittown	11756	186	8	0	5	13	212
11	W. Hempstead	11552	153	5	0	4	15	177
12	Long Beach	11561	99	25	0	3	13	140
13	Farmingdale	11735	125	1	1	0	5	132
14	Bellmore	11710	113	3	0	5	7	128
15	East Meadow	11554	102	9	0	3	12	126
16	Oceanside	11572	90	27	0	2	7	126
17	Hicksville	11801	102	12	0	2	8	124
18	New Hyde Park	11040	94	13	0	1	10	118
19	South Valley Stream	11581	71	28	0	2	12	113
20	Glen Cove	11542	84	3	0	4	5	96

Source: New York State Banking Department

Table 2
Top 20 Zip Codes for Subprime Originations: Nassau County

	Community	Zip	2004	2005	2006	2007	2008	Totals
1	Hempstead	11550	211	477	585	218	0	1491
2	Elmont	11003	223	478	459	176	0	1336
3	Freeport	11520	243	515	379	174	0	1311
4	Westbury	11590	198	360	302	118	0	978
5	Valley Stream	11580	165	356	311	118	0	950
6	Baldwin	11510	169	346	300	132	0	947
7	Uniondale	11553	146	282	353	120	0	901
8	Levittown	11756	196	326	233	96	0	851
9	Roosevelt	11575	120	250	307	116	0	793
10	Massapequa	11758	188	321	190	71	0	770
11	W. Hempstead	11552	114	213	162	64	0	553
12	Hicksville	11801	125	228	140	60	0	553
13	Bellmore	11710	117	206	109	47	0	479
14	Oceanside	11572	123	180	111	50	0	464
15	Farmingdale	11735	99	170	112	63	0	444
16	East Meadow	11554	86	183	125	41	0	435
17	Long Beach	11561	109	185	101	37	0	432
18	Wantagh	11793	103	172	87	43	0	405
19	Merrick	11566	96	157	91	41	0	385
20	South Valley Stream	11581	63	126	119	38	0	346

Source: New York State Banking Department

EXHIBIT IV

MODEL A - FORECLOSURE PURCHASE & REHABILITATION PROGRAM

Cost of Home to be sold after Rehabilitation to Qualified Applicant(s) at or below 50% of the Area Median Income

1. Calculate Monthly Income Available for Housing Expenses

a. Average income for family purchasing a unit at or below 50% AMI	\$40,000
b. Target Percentage of income for housing costs	33%
Maximum Annual Income used for Housing Expenses	\$13,200
Monthly Income for Housing expenses	\$1,100

2. Monthly Housing Expenses Breakdown*

a. Mortgage + Interest	\$515
b. Taxes	\$500
c. Insurance	\$85
Total Monthly Housing Expenses	\$1,100
a. Acquisition cost	\$34,000
b. Rehabilitation costs	\$50,000
Maximum Price Applicant(s) can afford	\$84,000

Downpayment of 3% is \$2,520.

Mortgage of \$81,480 for 30 years @ 6.5% equals \$515.01 monthly payments.

* Housing expenses will increase in cases of Homeowners Association's.

** Acquisition and Rehabilitation costs will adjust based on rehabilitation work needed and purchase price of foreclosed home.

MODEL B - FORECLOSURE PURCHASE & REHABILITATION PROGRAM

Cost of Home to be sold after Rehabilitation to Qualified Applicant(s) at or below 80% of the Area Median Income Area Median Income

1. Calculate Monthly Income Available for Housing Expenses

a. Average income for family purchasing a unit at or below 80% AMI	\$65,000
b. Target Percentage of income for housing costs	33%
Maximum Annual Income used for Housing Expenses	\$21,450
Monthly Income for Housing expenses	\$1,788

2. Monthly Housing Expenses Breakdown*

a. Mortgage + Interest	\$1,203
b. Taxes	\$500
c. Insurance	\$85
Total Monthly Housing Expenses	\$1,788

a. Acquisition cost	\$146,000
b. Rehabilitation costs	\$50,000
Maximum Price Applicant(s) can afford	\$196,000

Downpayment of 3% is \$5,880.

Mortgage of \$190,120 for 30 years @ 6.5% equals \$1,201.69 monthly payments.

* Housing expenses will increase in cases of Homeowners Association's.

** Acquisition and Rehabilitation costs will adjust based on rehabilitation work needed and purchase price of foreclosed home.

MODEL C - FORECLOSURE PURCHASE & REHABILITATION PROGRAM

Cost of Home to be sold after Rehabilitation to Qualified Applicant(s) at or below 120% of the Area Median Income Area Median Income

1. Calculate Monthly Income Available for Housing Expenses

a. Average income for applicant(s) purchasing a unit at or below 120% AMI	\$90,000
b. Target Percentage of income for housing costs	33%
Maximum Annual Income used for Housing Expenses	\$29,700
Monthly Income for Housing expenses	\$2,475

2. Monthly Housing Expenses Breakdown*

a. Mortgage + Interest	\$1,890
b. Taxes	\$500
c. Insurance	\$85
Total Monthly Housing Expenses	\$2,475

a. Acquisition cost	\$258,000
b. Rehabilitation costs	\$50,000
Maximum Price Applicant(s) can afford	\$308,000

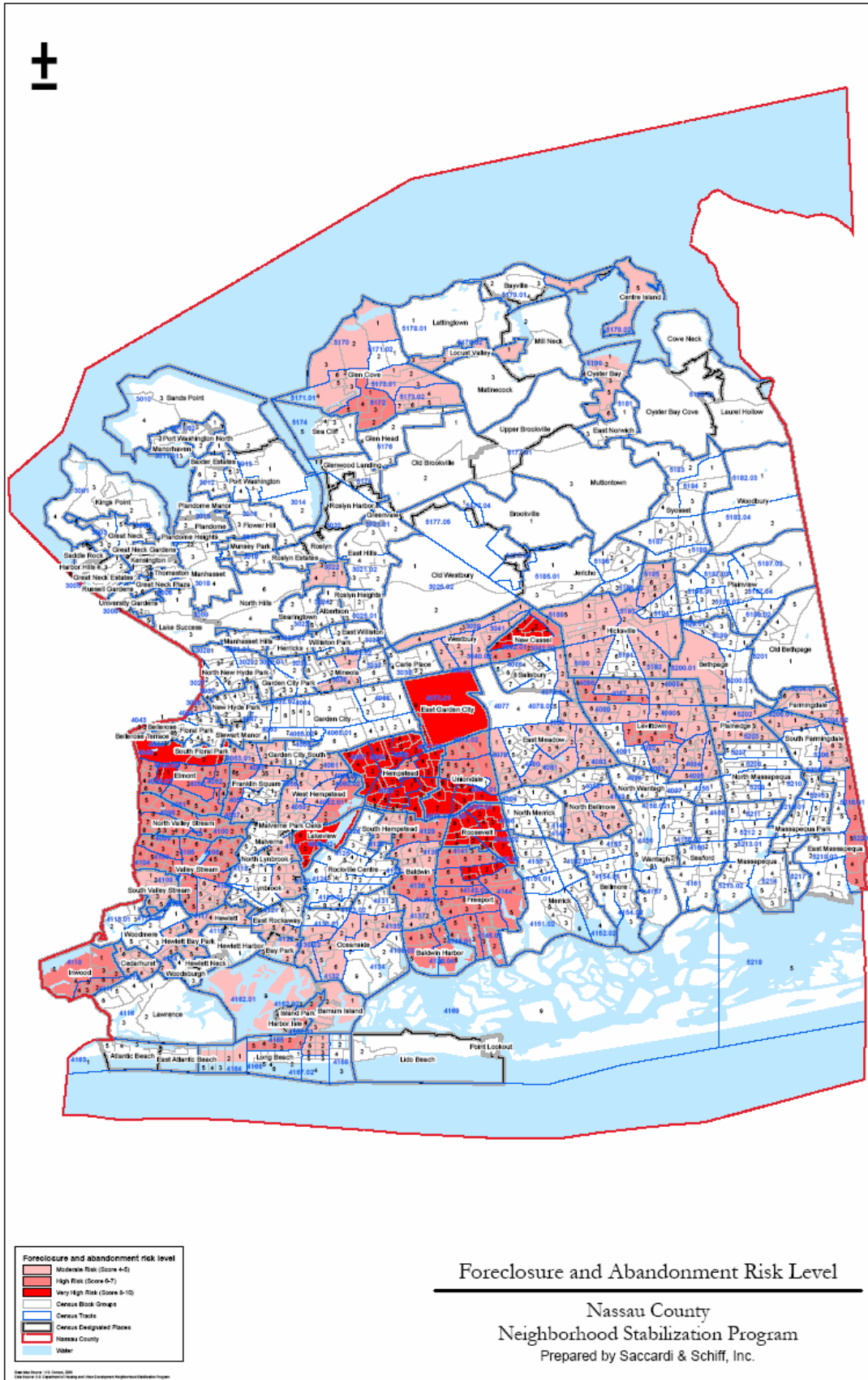
Downpayment of 3% is \$9,240.

Mortgage of \$298,760 for 30 years @ 6.5% equals \$1,888.37 monthly payments.

* Housing expenses will increase in cases of Homeowners Association's.

** Acquisition and Rehabilitation costs will adjust based on rehabilitation work needed and purchase price of foreclosed home.

EXHIBIT V



Foreclosure and abandonment risk level

- Moderate Risk (Score 4-5)
- High Risk (Score 6-7)
- Very High Risk (Score 8-10)
- Census Block Groups
- Census Tracts
- Census Designated Places
- Nassau County
- Water

Foreclosure and Abandonment Risk Level

Nassau County
 Neighborhood Stabilization Program
 Prepared by Saccardi & Schiff, Inc.

EXHIBIT VI

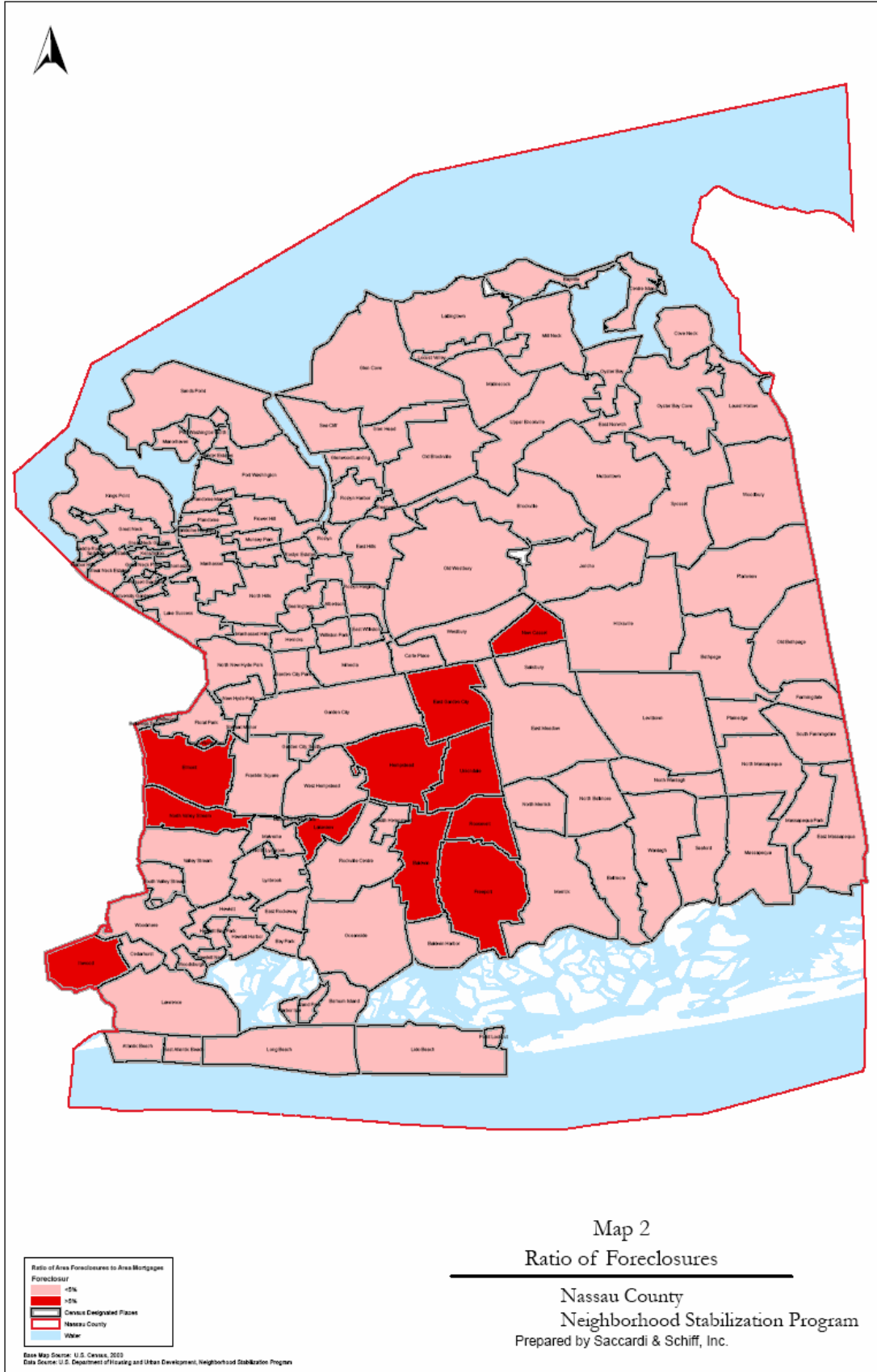


EXHIBIT VII

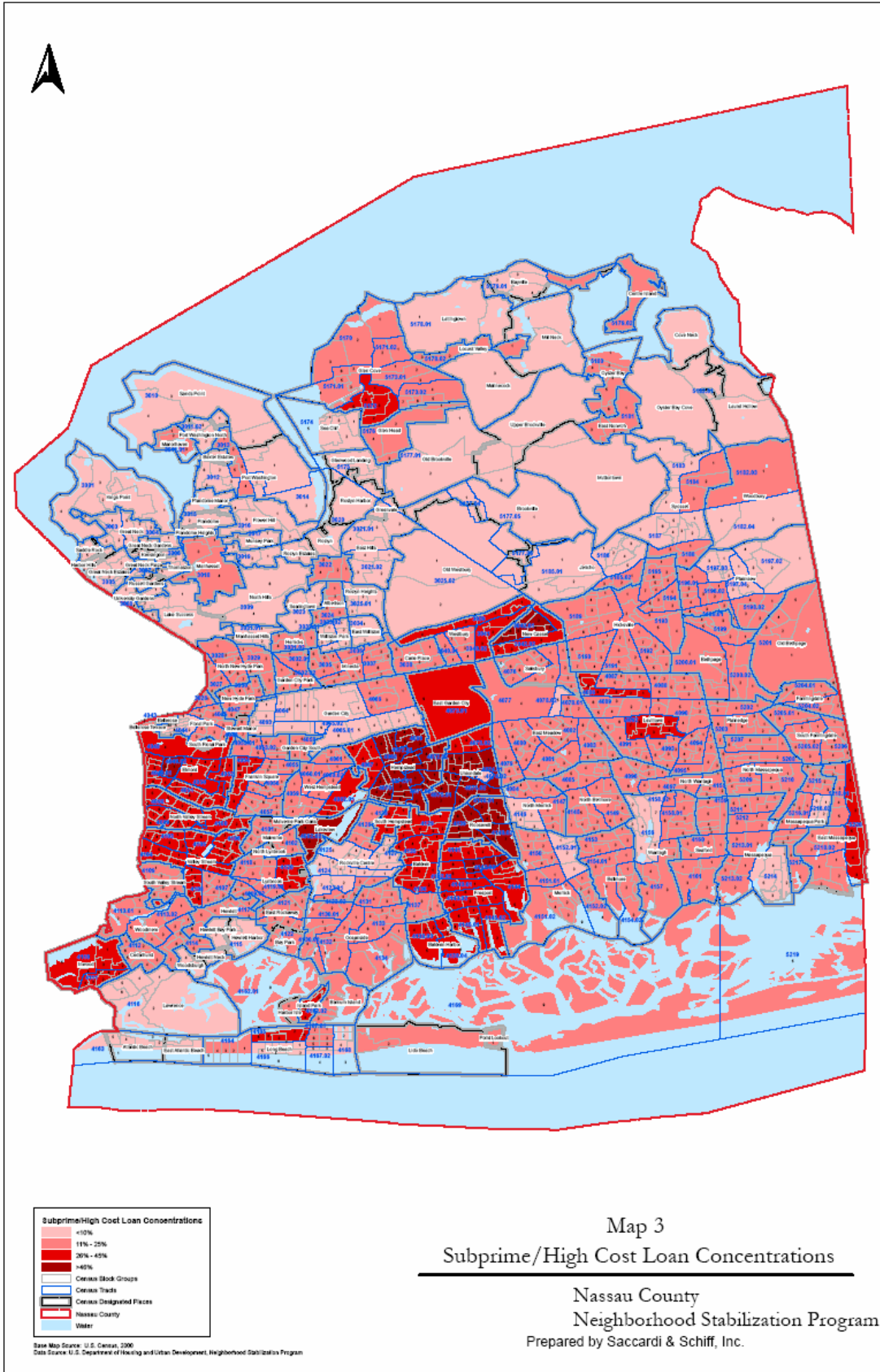


EXHIBIT VIII

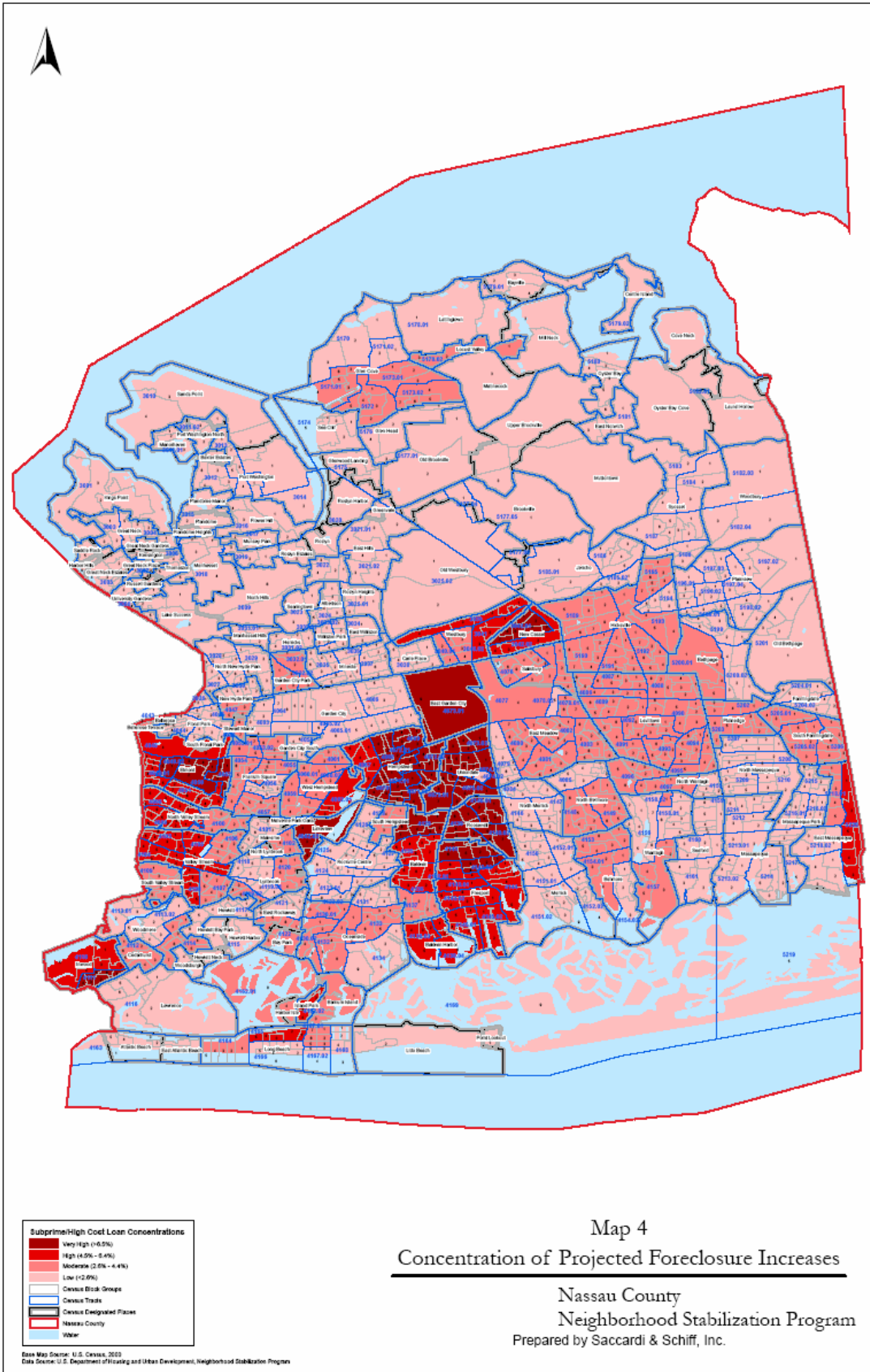


EXHIBIT IX

Summary of Citizen Comments Received on Action Plan Amendment

NassauCountyOHIA

From: NassauCountyOHIA
Sent: Monday, December 01, 2008 11:19 AM
To: 'greenformes'
Subject: RE: Neighborhood Stabilization Program

Dear Ms. Zafra:

This email is written in response to your question regarding the Neighborhood Stabilization Program:

In November 2008, the Nassau County OHIA distributed a Request for Qualifications to experienced housing providers and affordable housing developers to garner preliminary ideas with regard to the foreclosure programs and how the Neighborhood Stabilization Program (NSP) grant might be used in Nassau County to address this problem. From the responses to this RFQ, the County will develop a list of highly qualified organizations that will subsequently receive a Request for Proposals for participation in the implementation of this program. The County's Action Plan Amendment, submitted to the U.S. Department of Housing and Urban Development today, states: "A Request for Proposals (RFP) and Notice of Funding Availability (NOFA), will be issued no later than January 2009 to procure services to implement this activity. It is anticipated that proposals will be accepted on a continuing basis until all funds are committed but no later than March 2010."

While no funds have been awarded for specific projects to date, the County has established specific program requirements, in conformance with HUD guidelines.

Please see the full Action Plan amendment, available at our website for details. The forthcoming NOFA will also be posted at this site.

<http://www.NassauCounty.NY.gov/Agencies/OHIA/index.html>

Thank You for your interest in the NSP Program

Rosemary A. Olsen
Director
Nassau County OHIA
40 Main Street - 3rd Floor
Hempstead, NY 11553

From: greenformes [mailto:alex@greenformes.com]
Sent: Tuesday, November 25, 2008 9:50 AM
To: NassauCountyOHIA
Subject: Neighborhood Stabilization Program

Dear Ms. Rosemary Olsen-

I came across the county's information on stabilizing neighborhoods and was wondering if perhaps there's an extension on the submission date for projects. I have a site redevelopment project for low income housing in one of the 20 target areas.

Any information would be greatly appreciated.

Sincerely,
Alexandra Zafra
greenformes

 Consider the environment before printing this e-mail.