



**SUBSTANTIAL AMENDMENT No. 7**  
**TO THE 2008 CONSOLIDATED PLAN / ANNUAL ACTION PLAN**  
**(NSP1 – Substantial Amendment No. 3)**

## Grantee Information

NSP Program Administrator Contact Information	
<b>Name (Last, First)</b>	Jerry R. Meiring, Community Specialist
<b>Email Address</b>	<a href="mailto:jmeiring@cityofkokomo.org">jmeiring@cityofkokomo.org</a>
<b>Phone Number</b>	765-456-7375, ext. 7393
<b>Mailing Address</b>	Kokomo City Hall, Department of Development, 100 South Union Street, Kokomo, Indiana 46901

## Summary of “Substantial Amendment No. 7”

**Background:** The U.S. Department of Housing and Urban Development (HUD) has provided Neighborhood Stabilization Program (NSP) funds to the City of Kokomo for the acquisition and redevelopment of abandoned, vacant or foreclosed properties which would otherwise be sources of abandonment and blight in the community. The NSP1 program was created through an earlier amendment to the City’s 2008 Consolidated Plan / Annual Action Plan. The City of Kokomo original allocation of NSP1 funding was \$2,181,088. Of this, ten percent (10%), or \$218,108 was budgeted for administrative expenses, leaving a balance of \$1,962,980 for program activities.

**Description:** This amendment makes two changes to the original NSP Action Plan as follows:

- 1) **Definition of “Continued Affordability”:** This definition is described in Section 3, Paragraph 3 (Ensuring continued affordability for NSP housing). The grantee’s original Action Plan did not fully describe its decision to follow the “recapture method” to ensure that NSP assisted units would remain affordable for a period of time. Paragraph 3 was thereby amended as follows:

3. **Ensuring continued affordability for NSP assisted housing by “Recapture”**

The grantee will ensure the continued affordability of all NSP assisted homeownership projects, and subprime mortgages will not be permitted. The City has chosen to apply the “recapture method” to meet NSP affordability requirements, where the length of the affordability period is based on the amount of assistance that enables the homebuyer to purchase the property. Furthermore, in the event that an NSP-assisted home is sold during the affordability period, the recapture method will enable the City to recoup the balance of the NSP investment in order to reinvest in other NSP-eligible affordable housing projects.

Qualifying homebuyers are also required to get eight (8) hours of counseling from a HUD-approved counseling agency. For all homeownership projects, the City of Kokomo shall abide by HOME program standards at § 92.254, and may apply the Single Family Mortgage Limits under Section 203 (b) of the National Housing Act (12 U.S.C. 1709 (b)), which may be obtained from the HUD field office.

In accordance with HOME program standards, the period of affordability will be based on the amount of funds invested as follows:

<b>Housing Activity</b>	<b>Minimum period of affordability</b>
Acquisition and/or rehabilitation of existing housing per unit amount of NSP funds invested: Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000 or rehabilitation involving refinancing	15 years

- 2) NSP Activity No. 3: The activity originally described on page 8 as “Activity No. 3 - Rental Property Purchase” has been discontinued. The original budget for this activity was \$252,853 and the funds were transferred to Activity No. 1 “Acquisition and Rehabilitation” in order to pursue additional homeowner project opportunities for persons with incomes below 50% AMI (area median income).

## **Public Comments:**

### **Citizen Participation Plan**

**Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.**

Response:

Legal notices for public viewing and comment were printed in the *Kokomo Tribune* and *Kokomo Herald*. The entire amendment was available for 15 days at the Kokomo-Howard County Public Library and at Kokomo City Hall in the Department of Development, 3<sup>rd</sup> Floor, 100 S. Union Street.

### **Summary of Public Comments Received.**

March 15, 2012 was the last day of the 15-day public comment period. No comments were received.