

Town of Cicero, Illinois
Substantial Amendment to the 2008 Annual Element of
The 2005-2009 Town of Cicero Consolidated Plan
For Housing and Community Development

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The Town of Cicero proposes to amend the above Action Plan and Consolidated Plan for the purpose of fulfilling the application requirements to receive Neighborhood Stabilization Program ("NSP") funds from the U.S. Department of Housing and Urban Development ("HUD") authorized under Title III of the Housing and Economic Recovery Act of 2008 ("HERA"). HERA provides that these funds shall generally be treated as Community Development Block Grant (CDBG) funds. Making proper application to HUD by December 1, 2008, will result in The Town of Cicero receiving an allocation of \$2,078,351 to be used for the purpose of acquiring and redeveloping foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Town of Cicero also anticipates receiving program income from undertaking NSP activities, in an amount yet to be determined, which will be used for additional NSP activities as allowed under HERA. The Town of Cicero may also enter into intergovernmental agreements with State of Illinois or Cook County Illinois to obtain additional NSP funding, if these governmental entities recognize that the Town of Cicero is among the municipalities with the highest need relative to the national objectives stated in the NSP.

The full text of the Substantial Amendment may be viewed at the web address shown above. A copy may also be requested by contacting the NSP Contact Persons shown above by telephone or e-mail. Any individual, group, or agency wishing to comment on this proposed Substantial Amendment may submit such comments in writing to be received by 4:30 p.m. on the 20th of November at the address shown above. You may also e-mail comments to or request further information from the NSP Contact Persons shown above.

Hard Copies of this Substantial Amendment can be reviewed at the following locations:

Town of Cicero President's Office
 4949 W. Cermak Road (3rd Floor)
 Cicero, IL 60804

Town of Cicero Department of Housing
 1634 S. Laramie Avenue
 Cicero, IL 60804

Town of Cicero Public Safety Office
 5410 W. 34th Street
 Cicero, IL 60804

Cicero Public Library
 5225 W. Cermak Road
 Cicero, IL 60804

Cicero Public Library (South Branch)
 5444 W. 34th Street
 Cicero, IL 60804

Senator Martin A. Sandoval
 District Office
 5807 West 35th Street
 Cicero, IL 60804"

Representative Elizabeth Hernandez
 District Office
 2137 S. Lombard Suite 205
 Cicero, IL 60804

Public Comments will be gathered until Thursday, November 20th. A public hearing will be held at the New Cicero Municipal Complex (4949 W. Cermak) Council Chambers on November 20th at 3:00 PM.

A. Areas of Greatest Need

Affordable housing is already a high priority under the current Consolidated Plan and Action Plan. NSP fund will go to the geographic areas of greatest need, which have been identified by cross-referencing data detailing foreclosure and pre-foreclosure activity with HUD’s foreclosure and abandonment risk score data. Of the thirteen (13) census tracts that comprise the Town of Cicero, the following seven (7) census tracts, listed in order of greatest need, 8133, 8134, 8142, 8136, 8141, 8143, and 8137, have extremely high rankings in highest number of foreclosures, highest percentage of subprime mortgages, potentially highest rise in the rate of foreclosures, highest estimate of foreclosure risk, and have extremely highest levels of persons classified as having low to moderate income, and ultimately the highest potential for neighborhood destabilization. **Consequently the Town of Cicero will concentrate its efforts in these seven (7) census tracts.**

B. Distribution and Uses of NSP Funds

Section 2301(c)(2) of HERA requires that funds be distributed to the areas of greatest need based on the three stipulated need categories: areas with greatest percentage of home foreclosures, areas with the highest percentage of homes financed by a subprime mortgage related loan, and areas likely to face a significant rise in the rate of home foreclosures.

These three need categories were combined with two additional factors: HUD provided estimated foreclosure risk data and low/moderate income data, to come up with the following table of “Areas of Greatest Need by Census Tract”:

TOWN OF CICERO - AREAS OF GREATEST NEED BY CENSUS TRACTS					
<i>LISTED IN ORDER OF GREATEST NEED</i>					
Areas of Greatest Need by Census Tract #	Highest # of Home Foreclosures (1)	Highest % of Subprime Mortgages (2)	Potentially Highest Rise in % Rate of Foreclosures (3)	Low /Moderate Income % (4)	Estimated Foreclosure Risk (5)
Census Tracts Very Highest Need					
8133	13	65.5	58.0	78.2	10
8134	18	68.8	56.0	67.5	10
8142	11	66.9	53.5	66.8	10
8136	04	65.6	53.5	71.5	9
8141	08	70.9	46.3	71.9	9
8143	14	67.2	50.3	65.6	8
8137	07	62.1	50.2	66.6	9
Census Tracts With High Need					
8139	15	59.7	55.5	68.5	8
8135	05	62.6	48.6	56.4	9
8138	07	55.6	49.2	72.6	9
8145	02	61.2	50.2	48.8	8
8144	16	59.5	45.9	55.2	9
8140	06	59.2	47.0	63.7	8

FORECLOSURE DATA SOURCES		
1 Foreclosures.com	2 Woodstock - High Cost Loans by Tracts	3 Woodstock - High Cost Loans by Tracts
4 HUD Data - Cicero 5 Year Plan	5 Foreclosure Data from HUD	

Methodology to Determine Areas of Greatest Need

In determining the areas of greatest need, each census tract was evaluated in two ways. First, the data obtained for each census tract, with regard to the five risks factors, was evaluated as having a high, medium, or low risk value. A high data value was given 3 points, a medium 2 points, and a low data value 1 point. For example, HUD’s Estimated Foreclosure Risk value of 10 was given a point value of 3, a value of 9 was given a point value of 2, and a value of 8 was given a point value of 1. Each of the remaining factors were given point values of between 3 and 1.

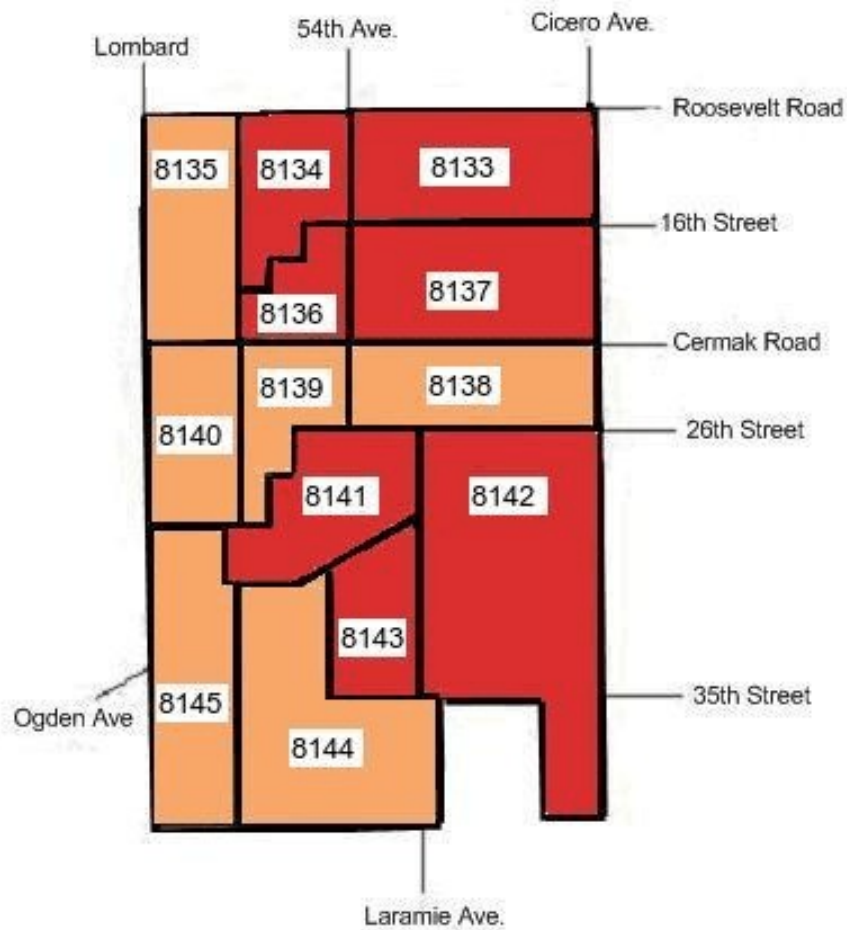
Second, each of the five risk factors was then evaluated and given multiplier value based upon what the Town of Cicero felt were the most important factors influencing the potential for foreclosures. This second point system was then assigned a value to each of the 5 factors. For example, the actual number of foreclosures in a particular census tract was given a multiplier value of 1 whereas HUD’s “Estimated Foreclosure Risk” factor was consider to be five times more important that the number of foreclosures within a census tract, and was assigned a value of 5. The following table list these importance ranking multipliers:

Factor	Importance Ranking Multiplier	Comment
Highest # of Home Foreclosures	1	The greatest importance was given to HUD’s “Estimated Foreclosure Risk” number. Next was the “Highest # of Subprime Mortgages” and the Potentially Highest Rise in % of Rate of Foreclosures” which were both equally rated. Then came income levels and finally the number of foreclosed residential units within a census tract.
Highest # of Subprime Mortgages	4	
Potentially Highest Rise in % Rate of Foreclosures	4	
Low/Moderate Income %	2	
Estimated Foreclosure Risk	5	

Census Tract	Highest # of Home Foreclosures	Highest # of Subprime Mortgages	Potentially Highest Rise in % Rate of Foreclosures	Low/Moderate Income %	Estimated Foreclosure Risk	Ranking Number
Census Tracts Very Highest Need						
8133	2x1=2	3x4=12	3x4=12	3x2=6	3x5=15	47
8134	3x1=3	3x4=12	3x4=12	2x2=4	3x5=15	46
8142	2x1=2	3x4=12	3x4=12	2x2=4	3x5=15	45
8136	1x1=1	3x4=12	3x4=12	2x2=4	2x5=10	41
8141	1x1=1	3x4=12	2x4=8	3x2=6	2x5=10	33
8143	2x1=2	3x4=12	2x4=8	2x2=4	1x5=5	31
8137	1x1=1	2x4=8	2x4=8	2x2=4	2x5=10	31
Census Tracts With High Need						
8139	1x3=3	1x4=4	3x4=12	2x2=4	1x5=5	28
8135	1x1=1	2x4=8	1x4=4	1x2=2	2x5=10	25
8138	1x1=1	1x4=4	1x4=4	3x2=6	2x5=10	25
8145	1x1=1	2x4=8	2x4=8	1x2=2	2x5=10	24
8144	1x3=3	1x4=4	1x4=4	1x2=2	2x5=10	23
8140	1x1=1	1x4=4	1x4=4	2x2=4	1x5=5	18

The first number is the relative ranking of the actual data value obtained within each a census tract. The second number is the importance multiplier of each of the five factors. The final number obtained by multiplying these two numbers establishes the ranking order of each census tract relative to its potential for future foreclosures. Based on the results obtained, it was decided to concentrate on those census tracts that received a ranking number above 30.

CENSUS TRACT MAP



- RED** Very High Potential for Rise in Foreclosures
- ORANGE** High Potential for Rise in Foreclosures

As can be seen in the table titled "Town of Cicero - Areas of Greatest Need by Census Tract"s, every census tract in the Town of Cicero qualifies as low, moderate, and middle eligible. Additionally, every census tract has the potential for a very high to high for a rise in foreclosures during the next couple of years. However, the Town of Cicero will only use NSP funding in the following seven Census Tracts 8133, 8134, 8142, 8136, 8141, 8143, and 8137. These seven census tracts have extremely high rankings in highest number of foreclosures, highest percentage of subprime mortgages, potentially highest rise in the rate of foreclosures, highest estimate of foreclosure risk, and have extremely highest levels of persons classified as having low to moderate income, and ultimately the highest potential for neighborhood destabilization. The selection of any individual site or activity within these seven census tracts will be based primarily on the most effective and efficient use of NSP funds to help stabilize neighborhoods. Many strategies will be employed such as code enforcement and nuisance abatement. Also, when foreclosed properties are to be acquired, factors that will considered include the purchase price as it relates to the requirement of the minimum discount of 5 percent and an aggregate discount of no less that 15%, the estimated rehabilitation costs, the time needed to get the building ready for sale, and the potential and time necessary to actually sell the building. To meet the 15% requirement, the Town of Cicero will determine the current market value of a foreclosed upon home or residential property through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer. It is anticipated that lending institutions holding these properties will be willing to sell them at a discount of at least 15% less than the appraised value since they have a glut of properties to dispose of, they don't want to be in the real estate business, and every day that they hold a property cost them money in maintenance, possible repairs, and the ability to put recaptured funds out for loan. If NSP or HOME funding can be received from other funding sources such as the State of Illinois or Cook County, the Town of Cicero might consider implementing activities in the remaining 6 census tracts (8139, 8135, 8138, 8145, 8144, and 8140).

C. Definitions and Descriptions

1. **Blighted Structure** - As defined in Chapter 22, Article 1, Section 22-1 of the Town of Cicero's Building Code, as presented in the adopted BOCA National Building Code, 1996 edition, and Chapter 46, Article 10, Section 46-478 (*Designation of unfit dwellings and procedure of condemnation*), a blighted structure is defined as any individual residential, commercial, or industrial structure or improvement that endangers the public's health, safety, or welfare because the structure or improvement upon the property is dilapidated, deteriorated, or violates minimum health and safety standards. This includes any building or structure which constitutes a fire hazard, or is in danger of collapse, explosion, or otherwise threatens the public health, safety or welfare, or which has become deficient in adequate exit facilities, or which involves an illegal or improper use, occupancy or maintenance, or any vacant building or structure unguarded, unsecured or open and accessible to the public at door or window which are no longer being used for a place of habitation, business or industry and which are in such poor condition as to cause a blight upon the neighborhood in which any such structure is located.
2. **Affordable Rents** - "Affordable rents" shall mean the Maximum Allowable High HOME Rents as published by HUD from time to time. These rents also include utilities. If the tenant pays utilities, a utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent. Utility allowances shall be calculated as they are currently calculated for HDF projects.
3. **Continued Affordability** - The Town of Cicero will ensure, to the maximum extent practicable, and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties under this section remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) to remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income.

NSP-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table titled "Affordability Table," beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. For NSP-assisted rental units affordability will be enforced by deed restrictions.

For NSP-assisted home ownership units affordability will be enforced by a land use restriction agreement, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The Town of Cicero may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property. For NSP-assisted home ownership units if the home owner sells the property or fails to occupy the property as their principal residence, the Town of Cicero will recapture its NSP investment. The NSP investment, that is subject to recapture, defined as the deferred mortgage, closing cost, or down payment assistance provided to NSP homeowner buyer, the amount to be recaptured will be reduced on a prorata basis for the time the home owner has owned and occupied the housing measured against the required affordability period based on the following table:

AFFORDABILITY TABLE	
Rental or Home Ownership Housing Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New Construction or acquisition of newly constructed housing	20

4. **Housing Rehabilitation Standards** - The Town of Cicero has adopted the 2003 version of the BOCA Building, Fire Prevention, Mechanical, Plumbing and Property Maintenance Codes, and the National Electric Code. An example of one of these codes, which is deemed to be essential, is the requirement that every dwelling unit have two (2) safe, unobstructed exits, and the requirement of having smoke and carbon monoxide detectors. These standards will require that all buildings purchased for rehabilitation be brought up to local code, that required building permits be obtained, and that appropriate inspections be performed.

D. Low Income Targeting

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 is \$519,588. This number represents 25% of the Town of Cicero's NSP allocation.

E. Acquisitions and Relocation

The Town of Cicero does not intend to demolish or convert any low- and moderate-income dwelling units.

F. Public Comment

A summary of public comments received to the proposed NSP Substantial Amendment will be added at end of public comment period.

G. NSP Information by Activity

The Town of Cicero proposes to use the NSP funds in the following manner; however, the Town of Cicero reserves the right to shift funding from one activity to another as additional areas of greatest needs are identified, and according to availability of suitable properties, agency capacity, project readiness, and ability to meet the timeliness requirements of the NSP.

Notwithstanding the foregoing, under all circumstances a minimum of 25% of NSP funds will be used for housing individuals and families whose incomes do not exceed 50 percent of area median income Individual.

ACTIVITY SUMMARY BUDGET		
Activity # 1 -	Purchase & Rehabilitation of Rental Properties for Individuals or Families Whose Income Does Not Exceed 50% of the Area Median Income	\$519,588
Activity # 2 -	Purchase, Rehabilitation, & Sale of Foreclosed	\$405,928
Activity # 3 -	Financing Mechanisms for Purchase and Redevelopment of Foreclosed Homes Directly by Eligible Households That Are below 120% of Median Family Income	\$545,000
Activity # 4 -	Demolition and Redevelopment Program	\$400,000
Activity # 5 -	Land Bank	\$0
Activity # 6 -	Administration	\$207,835
Total Allocation		\$2,078,351

Activity Name	ACTIVITY # 1- PURCHASE & REHABILITATION OF RENTAL PROPERTIES FOR INDIVIDUALS OR FAMILIES WHOSE INCOME DOES NOT EXCEED 50% OF THE AREA MEDIAN INCOME
Activity Type	NSP (B) – Purchase and rehabilitate residential properties that have been abandoned or foreclosed upon for rental to individuals or families whose income does not exceed 50% of the area median income. HERA §24 2301(c)(3)(B) and HERA §24 2301(d)(1)(2) CDBG – 24 CFR570.201(a) Acquisition 24 CFR 570.202 Eligible rehabilitation and preservation activities. Purchase and renovation of a foreclosed residential properties for use by the Cicero Housing Authority to provide to provide housing for individuals or families whose income does not exceed 50% of the area median income.
National Objective	CFR 570.208(a)(3) Low Mod Housing benefitting low income persons. A minimum of 25 percent of the NSP funds will be used to meet this NSP National Objective.
Projected Start Date	January 16, 2009
Projected End Date	July 12, 2010
Responsible Organization	The Town of Cicero would be responsible for buying and rehabbing (to local code standards) the foreclosed properties. The Town of Cicero would also maintain ownership of the properties. The Cicero Housing Authority would be responsible for managing the property and selecting the prospective tenants.
Location Description	The Town of Cicero will only use NSP funding in Census Tracts 8133, 8134, 8142, 8136, 8141, 8143, and 8137. These seven census tracts have extremely high rankings in highest number of foreclosures, highest percentage of subprime mortgages, potentially highest rise in the rate of foreclosures, highest estimate of foreclosure risk, and have extremely highest levels of persons classified as having low to moderate income, and ultimately the highest potential for neighborhood destabilization. Within these seven (7) census tracts the selection of any individual site or sites to accomplish the proposed activity will be based primarily on the type of building to be acquired, the purchase price, and the estimated rehabilitation costs. All program income will be used to accomplish other activities in our NSP. If NSP funding can be received from other funding sources such as the State of Illinois or Cook County, the Town of Cicero would consider implementing activities in the remaining six census tracts ((8139, 8135, 8138, 8145, 8144, and 8140.), since these census tracts all qualify as low, middle, and moderate income eligible and have the potential for a high for a rise in foreclosures during the next couple of years.
Activity Description	Purchase and rehabilitate apartment building(s) to be managed by the Cicero Housing Authority for rent to Cicero residents whose income is below 50% of the area median income. All rent payments will be used for maintenance and facility depreciation costs. The Town of Cicero would retain ownership of the properties. The Cicero Housing would be responsible for selecting qualified (income eligible) tenants, collecting rents, and maintaining the properties so that they are always in compliance with all local codes. It is hoped that any program income received by the Town of Cicero on or after July 30, 2013, that is generated by activities carried out pursuant to Section 2301(c)(3)(B) and (E) and that is in excess of the cost to acquire and redevelop or rehabilitate an abandoned or foreclosed-upon home or residential property will be approved by HUD to be retained so that maintenance of the properties can be ongoing.
Total Budget	\$519,588
Performance Measure	It is anticipated that with the proposed funding level, we will be able initially to provide 6 to 8 units of housing to be used by persons who are below 50% of the area median income.

Activity Name	ACTIVITY #2 - PURCHASE, REHABILITATION, & SALE OF FORECLOSED PROPERTIES
Activity Type	<p>NSP (A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.</p> <p>NSP (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.</p> <p>HERA §24 2301(c)(3)(B) and HERA §24 2301(d)(1)(2) CDBG – 24 CFR 570.201(a) Acquisition; 24 CFR 570.202 Rehabilitation; 24 CFR 570.2012(n) Direct Homeownership Assistance; 24 CFR 570.201(b) Disposition</p>
National Objective	24 CFR 570.208(a)(2) Low Mod Housing benefitting low, moderate, and middle income persons.
Projected Start Date	January 16, 2009
Projected End Date	July 12, 2010
Responsible Organization	Town of Cicero Department of Housing and the , Town of Cicero Legal Department. Additional organizations with demonstrated capacity to carry out this activity may be added at the discretion of Town of Cicero.
Location Description	In the seven (7) census tracts previously identified as having a very high potential for a rise in foreclosures and in the remaining six (6) census tracts, which also have great need, if other sources of NSP funding can be obtained from either the State of Illinois or Cook County.
Activity Description	<p>This activity will address neighborhood stabilization in the seven (7) census tracts previously listed as having a very high potential for a rise in foreclosures. The specific neighborhoods within the census tracts will be identified at the time the NSP funds are available for draw down and as the program progresses. Purchase of specific foreclosed properties will be dependent on highest degree of neighborhood need and availability of foreclosed, moderately priced properties. The tenure of the beneficiaries will be home ownership. Town of Cicero may also provide 0% interest payment deferred loans, to a maximum of \$20,000 per loan, to the homebuyer beneficiaries of this activity. The term of assistance, therefore, will be until the homebuyer sells the home or the home is no longer the homebuyer's principal residence. Such deferred, soft second loans will be considered a financing mechanism under NSP (A) and, as such, funds received by Town of Cicero in repayment of such loans may be retained by Town of Cicero and treated as CDBG funds to be used in accordance with Section 2301 of HERA. A loan application process will be used to determine potential beneficiaries. The three main criterion used for selection will be income levels, family size, and the ability to obtain a mortgage.</p> <p>NSP-assisted units must meet the affordability requirements for not less than the applicable period specified in the Affordability Table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They will be imposed by a land use restriction agreement, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. a land use restriction agreement.</p> <p>As program income is received, neighborhood stabilization through homebuyer activity may be expanded as funds permit. If a residential property is acquired, through this homebuyer activity, is not able to be sold to a homebuyer within a reasonable period of time, as determined in the sole discretion of Town of Cicero, such home may be temporarily rented to a household at less than 120% MFI and sold at a later date or leased with option to buy to an income qualified household. Continued Affordability requirements as previously stated will apply. The Town of Cicero will require each NSP-assisted homebuyer to receive and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.</p>
Total Budget	\$400,928 Initial purchase, rehabilitation, and sale of foreclosed residential properties. This will include the purchase of home, closing costs, rehabilitation costs, carrying costs until sale, project delivery costs directly attributable to a specific address, , finance costs, and closing costs at resale.
Performance Measure	Two (2) units of housing to be acquired, rehabilitated, and sold to eligible households that are below 120% of median family income. All program income received from this activity received by Town of Cicero may be retained by Town of Cicero and treated as CDBG funds to be used in accordance with Section 2301 of HERA.

Activity Name	<p align="center">ACTIVITY #3 - FINANCING MECHANISMS FOR PURCHASE AND REDEVELOPMENT OF FORECLOSED HOMES DIRECTLY BY ELIGIBLE HOUSEHOLDS THAT ARE BELOW 120% OF MEDIAN FAMILY INCOME</p>
Activity Type	<p>NSP (A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.</p> <p>NSP (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. HERA §24 2301(c)(3)(A)</p> <p>CDBG – 24 CFR 570.201(a) Acquisition 24 CFR 570.202 Rehabilitation; 24 CFR 570.2012(n) Direct Homeownership Assistance</p>
National Objective	24 CFR 570.208(a)(2) Low Mod Housing benefitting low, moderate, and middle income persons (up to 120% of MFI permitted under NSP)
Projected Start Date	January 16, 2009
Projected End Date	July 12, 2010
Responsible Organization	Town of Cicero Housing Department. Additional organizations with demonstrated capacity to carry out this activity may be added at the discretion of Town of Cicero.
Location Description	In the seven (7) census tracts previously identified as having a very high potential for a rise in foreclosures and in the remaining six (6) census tracts, which also have great need, if other sources of NSP funding can be obtained from either the State of Illinois or Cook County.
Activity Description	<p>This activity will address neighborhood stabilization in the seven (7) census tracts listed above through the establishment financing mechanism for purchase directly by eligible households that are below 120% of median family income. Where necessary funding will be made available to bring purchased foreclosed upon homes up to code. The specific neighborhoods within the census tracts will be identified at the time the NSP funds are available for drawdown and as the program progresses. Purchase of specific foreclosed properties will be dependent on highest degree of neighborhood need and availability of foreclosed, moderately priced properties. The tenure of the beneficiaries will be home ownership. Town of Cicero will provide 0% interest payment deferred loans, to a maximum of \$20,000 per loan, to the homebuyer beneficiaries of this activity. The term of assistance, therefore, will be 10 years. The loan will be reduced on a pro rata basis during that 10 year period, until the homebuyer sells the home or the home is no longer the homebuyer's principal residence. Such deferred, soft second loans will be considered a financing mechanism under NSP (A) and, as such, funds received by Town of Cicero in repayment of such loans may be retained by Town of Cicero and treated as CDBG funds to be used in accordance with Section 2301 of HERA. A loan application process will be used to determine potential beneficiaries. The three main criterion used for selection will be income levels, family size, and the ability to obtain a mortgage.</p> <p>NSP-assisted units must meet the affordability requirements for not less than the applicable period specified in the Affordability Table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They will be imposed by a land use restriction agreement, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure, a land use restriction agreement.</p> <p>As program income is received neighborhood stabilization through home buyer activity may be expanded as funds permit.</p> <p>Funds received by Town of Cicero in repayment of such loans may be retained by Town of Cicero and treated as CDBG funds to be used in accordance with Section 2301 of HERA.</p> <p>The Town of Cicero will require each NSP-assisted homebuyer to receive and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.</p>
Total Budget	\$500,000 public NSP funds for down payment and closing costs assistance.
Performance Measure	To assist a minimum of 25 homebuyers with down payment assistance to purchase foreclosed residential properties. All program income received from this activity received by Town of Cicero may be retained by Town of Cicero and treated as CDBG funds to be used in accordance with Section 2301 of HERA.

Activity Name	ACTIVITY #4 - NSP DEMOLITION AND REDEVELOPMENT PROGRAM
Activity Type	NSP (D) Demolish blighted structures and NSP (E) Redevelop demolished or vacant properties. HERA §24 2301(c)(3)(D) CDBG – 24 CFR 570.201(a) Acquisition 24 CFR 570.201(b) Disposition; 24CFR 570.201(d) Clearance for blighted structures only; 24 CFR 570.201© public facilities and improvements
National Objective	24 CF 24 CFR 570.208(a)(2) Low Mod Housing benefitting low, moderate, and middle income persons (up to 120% of MFI permitted under NSP)R 570.208(a)(2) Low Mod Housing benefitting low, moderate, and middle income persons (up to 120% of MFI permitted under NSP)
Projected Start Date	January 16, 2009
Projected End Date	July 12, 2010
Responsible Organization	Town of Cicero Department of Housing, Town of Cicero Building Department, and the Town of Cicero Legal Department
Location Description	In the seven (7) census tracts previously identified as having a very high potential for a rise in foreclosures and in the remaining six (6) census tracts, which also have great need, if other sources of NSP funding can be obtained from either the State of Illinois or Cook County.
Activity Description	This activity will allow the demolition of blighted structures and redevelopment of demolished or vacant properties. The specific neighborhoods within the census tracts will be identified at the time the NSP funds are available for drawdown and as the program progresses. Properties under this activity may be redeveloped with housing that will then become part of Activity 1, NSP Rental Program or Activity 2-NSP-Homebuyer Program, or, HOME dollars from Cook County, or, if allowed by HUD, be redeveloped with public facilities to serve either a limited clientele or low to moderate income persons on an area wide basis.
Total Budget	\$400,000 This will include all costs related to demolition including purchase cost, legal fees, and actual demolition cost.
Performance Measure	It is anticipated that Cicero will be able to acquire, demolish, and possibly develop 10-20 residential units. All program income received from this activity received by Town of Cicero may be retained by Town of Cicero and treated as CDBG funds to be used in accordance with Section 2301 of HERA.

Activity Name	ACTIVITY #5 - LAND BANK
Activity Type	NSP C – Establish land banks for homes that have been foreclosed upon. HERA §2301(c)(3)© CDBG – 24 CFR 570.201(a) Acquisition; 24 CFR 570.201(b) Disposition
National Objective	24 CF 24 CFR 570.208(a)(2) Low Mod Housing benefitting low, moderate, and middle income persons (up to 120% of MFI permitted under NSP)R 570.208(a)(2) Low Mod Housing benefitting low, moderate, and middle income persons (up to 120% of MFI permitted under NSP)
Projected Start Date	January 16, 2009
Projected End Date	July 12, 2010
Responsible Organization	Town of Cicero Department of Housing
Location Description	In the seven (7) census tracts previously identified as having a very high potential for a rise in foreclosures and in the remaining six (6) census tracts, which also have great need, if other sources of NSP funding can be obtained from either the State of Illinois or Cook County.
Activity Description	This activity will allow the establishment of land banks for homes that have been foreclosed upon. The specific neighborhoods within the census tracts will be identified at the time the NSP funds are available for drawdown and as the program progresses. Properties acquired for land banking purposes will then become part of Activity 1 - NSP Rental Program, Activity 2-NSP- Homebuyer Program, or Activity 4 – NSP Demolition and Redevelopment Program.
Total Budget	\$0 No funds have been allocated to this activity at this time. If at a future time it is determined that establishment of a land bank would be a beneficial use of NSP funds, NSP funds will be transferred to this activity from another activity.
Performance Measure	Performance measures will be determined when and if this activity is funded.

Activity Name	ACTIVITY # 6 - ADMINISTRATION
Activity Type	HERA §2301(c)(3) Planning and Administration (Matrix Code 21a 24 CFR 570.206) and pre-award costs 24 CFR 570.200(h) (Federal Register, Vol. 73, No. 194, II. H.)CDBG – 24 CFR 570.205 and 24 CFR 570.206) NSP allows 10% of initial allocation, and 10% of program income, to be used for general administration and planning activities
National Objective	To administer activities that benefit low and moderate income persons under 24 CFR 570.208(a)(2) and potentially under 24 CFR 570.208(a)(1) (up to 120% of MFI permitted under NSP)
Projected Start Date	September 29, 2008 (Federal Register, Vol. 73, No. 194, II. C. allows reimbursement for pre-award costs)
Projected End Date	July 30, 2013; however, monitoring of projects and receipt of program income through recapture will continue indefinitely
Responsible Organization	Town of Cicero's Department of Housing
Location Description	In the seven (7) census tracts previously identified as having a very high potential for a rise in foreclosures and in the remaining six (6) census tracts, which also have great need, if other sources of NSP funding can be obtained from either the State of Illinois or Cook County.
Activity Description	This activity will provide the general administration and planning activities required to receive NSP funding and implement a successful NSP program.
Total Budget	\$207,835 public NSP funds over the five year program period, beginning with pre-award activities as of September 29, 2008. Should this activity not require the allowed amount of administration funds, these funds may be re-assigned to any of the above activities and such re-assignment shall not be considered a Substantial Amendment to the Action Plan.
Performance Measure	Town of Cicero will complete necessary planning activities to receive NSP funds; 100% of NSP funds will be accurately administered; NSP Activities 1 through 5 will be completed.

Certifications

- (1) Affirmatively furthering fair housing. The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) Anti-lobbying. The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) Authority of Jurisdiction. The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) Consistency with Plan. The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) Acquisition and relocation. The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) Section 3. The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) Citizen Participation. The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) Following Plan. The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) Use of funds in 18 months. The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) Use NSP funds \leq 120 of AML. 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