NOTICE OF PUBLIC COMMENT PERIOD

CITY OF JOLIET SUBSTANTIAL AMENDMENT

USE OF NEIGHBORHOOD STABILIZATION PROGRAM FUNDS

Pursuant to the United States Department of Housing and Urban Development (HUD) regulations, the City of Joliet prepared and submitted an Annual Action Plan Substantial Amendment for the use of Neighborhood Stabilization Program (NSP) Funds.

Notice is hereby given that the City of Joliet is proposing to substantially amend the policies of the NSP program, including land bank disposition language and long term affordability monitoring.

Changes to the Annual Action Plan Substantial Amendment will be available to the public for review and comment from November 29, 2018 to December 16, 2018 at the Joliet City Clerk’s office, located at 150 W. Jefferson in Joliet or online at www.cityofjoliet.info. The City of Joliet encourages citizen participation in the NSP program. Please submit all written comments to Mr. Jeffrey Sterr, Neighborhood Services Director, 150 W. Jefferson, Joliet, IL 60432 or jsterr@jolietcity.org. The City will accept and consider all comments received before 4:30 PM on December 16, 2018. If you have any questions, please contact Mr. Sterr at (815) 724-4090. Se habla español.

There will be a public hearing Wednesday, December 12, 2018 at 2 pm in the Joliet City Hall Council Chambers to ensure accessibility for persons with physical disabilities. A Spanish-speaking City staff person will attend all formal public hearings to provide Spanish translation, if necessary. The City will attempt to accommodate translation for other languages and persons with disabilities if a request is made at least three days in advance. If the City cannot accommodate translation, the City will make alternative opportunities available for non-English speaking persons and persons with disabilities to participate.

**Land Bank Disposition Language:**

The City of Joliet is amending its Action Plan to remove the use of a land bank. The City originally proposed to redevelop new housing on properties that were acquired and demolished. All properties still owned by the City have been assessed and development has been determined to be infeasible. All of these properties in question fall below the “Change of Use” threshold of $25,000 expended on acquisition and/or improvements. The City met the Low, Moderate, and Middle Income Area (LMMA) national objective through the clearance of blighted properties within the City’s NSP Target Area.  LMMA means that at least 51% of the residents of the area have household incomes at or below 120% of the area median income, based on Section 8 low income limits.

The City plans to dispose of the lots through donation to adjacent neighbors for side lots. Due to the infeasibility of development, the properties cannot be maintained in a land bank. Also, these cannot become habitable properties, due to lot size and zoning requirements.

 1012 Harrison Avenue (Acquisition cost: $10,824)
 109 E. Marion Street (Acquisition cost: $13,779)
 1313 Sterling  Avenue (Acquisition cost: $12,995)
 201 S Ottawa Street (Acquisition cost: $21,745)
 412 S. Des Plaines Street (Acquisition cost: $12,595)
 453 S. Ottawa Street (Acquisition cost: $10,743)
 809 Ewing Avenue (Acquisition cost: $3,385)

Before this amendment, the City disposed of three properties.

435 S. Ottawa Street was conveyed to the Warren Sharpe Center to be used as a community garden.

319 S. Midland Avenue was conveyed to Habitat for the development of affordable housing for a low income buyer.

207  Henderson was conveyed to Catholic Charities to expand their homeless shelter.

**Long Term Affordability Monitoring:**

The City will monitor the long term affordability of NSP-assisted homeowner and rental housing. For the purposes of NSP, the City adopted the long-term affordability rules of the HOME Investment Partnerships program. Affordability periods are based on per-unit subsidies.

|  |  |
| --- | --- |
| Rental Housing Assistance NSP Amount Per Unit | Minimum Period of Affordability in Years |
| Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under $15,000 | 5 |
| $15,000.00 to $40,000.00 | 10 |
| Over $40,000.00 | 15 |
| New Construction or acquisition of newly constructed housing | 20 |
|  |  |
| Homebuyer Assistance NSP Amount Per Unit | Minimum Period of Affordability in Years |
| Under $15,000.00 | 5 |
| $15,000.00 to $40,000.00 | 10 |
| Over $40,000.00 | 15 |

**Rental:**

For each NSP-assisted rental property, affordability requirements are enforceable through executed written agreements and restrictive covenants.  The City will monitor to ensure that the property satisfies the requirements of 24 CFR 92.252 (a), (c), (e), and (f). Areas of compliance include maximum rents, income verification of tenants, recordkeeping, property standards (maintenance), and tenant protections including acceptable leases and lead safe housing rules. Each NSP assisted rental property will provide housing to households earning 50% of AMI or less. The City will verify compliance through review of submitted rent and occupancy certifications provided by the property owner.

* **Maximum Rents:** Maximum rents are equal to High-HOME rents, less tenant paid utilities, unless otherwise specified as Low-HOME units per agreement with the City. The City will provide updated rent limits to the Property Owner on an annual basis, including adjustments for utilities (based on utility allowances determined by the Housing Authority of Joliet).
* **Income Limits:** Property will only be occupied by households that earn no more than 50% of area median income. Property Owner must certify eligibility prior to move-in of a new tenant using the HUD Section 8 definition of income.
* **Recordkeeping:**
	+ Property Owner will provide the City annually with information on rent and occupancy to demonstrate compliance by December 31st of each year.
	+ Records must be maintained for five years after the end of the tenancy.
	+ Property Owner will allow the City, upon reasonable notice, to inspect all books and records related to documenting compliance with the NSP requirements.
* **Property Standards:**
	+ Property Owner will maintain the NSP-assisted property in a manner that satisfies minimum housing quality standards and suitability for occupancy.
	+ The City will conduct on-site inspection of the property every 3 years.
* **Tenant Protections:**
	+ Property Owner will adopt and follow tenant selection policies.
	+ Property Owner will use acceptable lease that conforms to the requirements of 24 CFR 92.253.
	+ Property Owner will provide the “Protect Your Family from Lead in Your Home” pamphlet and a Lead Hazard Disclosure Form to all new tenants.

**Homebuyer:**

For each NSP-assisted homebuyer property, the City will verify that each homebuyer who purchased an NSP-assisted property maintains the property as their principal residence.
The City has opted to enforce homebuyer affordability through the use of HOME recapture provisions per 24 CFR 92.254 through the use of a recapture agreement, a mortgage, and a note.

## Monitoring of Principal Residence:

On an annual basis, the City will verify that the home remains the principal residence of the assisted homebuyer. On an annual basis, the City will send a certification to each homebuyer to sign and return that reads:

***I hereby certify that I own and occupy the above referenced property on a permanent year round basis as my principal residence. I am aware that any false statement or misrepresentation may subject me to criminal and civil penalties and may require repayment of the loan in full.***

## Non-Compliance:

If the City determines the property is no longer the principal residence of the assisted homebuyer, through rental, a sale or transfer, or an unauthorized refinance, the City will demand payment for the original amount of the note, per the recorded restriction document.

## Transfer:

If the assisted homebuyer wishes to sell the property during the Affordability Period, the City will determine a recapture amount per the terms of the recapture agreement. Under no circumstance will the City attempt to recapture more than the net proceeds available from the sale (sales price less superior loan amount due and seller paid closing costs).