

Action Plan

Grantee: Islip Town, NY

Grant: B-08-MN-36-0102

LOCCS Authorized Amount:	\$ 3,720,392.00
Grant Award Amount:	\$ 3,720,392.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 400,000.00
Total Budget:	\$ 4,120,392.00

Funding Sources

Funding Source

Neighborhood Stabilization Program

Funding Type

Do not select this item.

Narratives

Areas of Greatest Need:

An analysis of the data provided by HUD indicates that 29.2% of the home loans originated in the Town of Islip between 2004 and 2006 were high cost loans (generally referred to as sub-prime). These loans typically have a higher rate of interest than conventional loans, and generally have variable interest rates. Most often, people apply for these higher cost and higher risk loans when they could not otherwise qualify for a conventional loan. This may be due to low documented income, poor credit, insufficient savings, or other factors. The high cost of housing on Long Island forces many families of modest means to over extend themselves in order to have any chance of purchasing a home. Sometimes, however, families who could qualify for conventional loans are misled into applying for sub-prime loans, because of the higher profit margins for the underwriter. Areas with a high proportion of sub-prime loans are expected to experience more foreclosures than other areas. HUD has also provided data on estimated foreclosure rates and has calculated an estimated foreclosure risk score for each of the Census Block Groups in the Town. Their estimated foreclosure rate for the Town of Islip is 4.6%. An independent and highly accurate source of data on foreclosures is Long Island Profiles Publishing Co., Inc. Long Island Profiles maintains data bases of all home sales on Long Island, all lis pendens (default notices) filed, mortgage judgments, and foreclosure sales. They have prepared a special report for the Town of Islip, Town of Babylon and County of Suffolk which lists the number of foreclosures in each hamlet for 2006, 2007 and 2008. They also documented the number of lis pendens filed by hamlet. The foreclosures data indicates to us which hamlets have the highest number of foreclosures, and the historical data shows us what the trends are from 2006 to the present for these same areas. The lis pendens data shows us the areas that currently have the largest number of mortgage suits underway, and therefore will be a good predictor of areas likely to face a significant rise in the rate of foreclosures. Before summarizing the new data from Long Island Profiles, we should first take a closer look at some of the HUD supplied data: Foreclosure Rate 1) HUD lists 72 Census Tracts in the Town of Islip. 2) The average HUD estimated foreclosure rate for the entire Town is 4.6%. 3) There are 23 Census Tracts with foreclosure rates in excess of 1½ times the town average ($4.6 \times 1.5 = 6.9\%$). 4) Of the 16 hamlets and 4 villages that comprise the Town of Islip, all of these 23 Census Tracts are in just three hamlets: Bay Shore, Brentwood and Central Islip. High Cost Mortgages 1) The average HUD estimated high cost mortgage rate for the entire Town is 29.2%. 2) There are 20 Census Tracts with high cost mortgage percentages in excess of 1½ times the town average ($29.2 \times 1.5 = 43.8\%$). 3) All of these 20 Census Tracts are in just three hamlets: Bay Shore, Brentwood and Central Islip. 4) All 20 of the high cost mortgage Census Tracts are the same as estimated high foreclosure rate Census Tracts. Foreclosure Risk 1) HUD has ranked each of the 249 Census Block Groups in the Town on a scale of 1 to 10 based upon their calculation of the estimated foreclosure risk, with 10 being the highest anticipated risk. 2) There are 40 Block Groups with estimated foreclosure risks of 8 or higher, and all but two of the Block Groups are considered low, moderate and middle income eligible. 3) All of these very high risk Block Groups are in the hamlets of Bay Shore, Brentwood and Central Islip 4) Six Block Groups scored a 10 in HUD's analysis, two in Brentwood, and 4 in Central Islip.



Distribution and and Uses of Funds:

The Town of Islip is proposing to use all of the funds allocated to it under the Neighborhood Stabilization Program for the acquisition and renovation of homes in the hamlets of Bay Shore, Brentwood and Central Islip. These are the same communities described in Section A with the highest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgages, and with the likelihood of facing the most new foreclosures. While the NSP funding level is insufficient to make a major dent in the foreclosure problems in the target communities, we will attempt to carefully select the homes we purchase within the communities in such a way as to make the greatest impact. For example, we will attempt to purchase the foreclosed houses in the worst condition, and therefore with the least likelihood of being purchased by the private sector. In addition, we will attempt to identify pockets within the target communities with numerous foreclosures in close proximity to one another. Purchase of properties in these pockets will help to minimize the likelihood of gangs or other criminals from squatting in the houses and further destabilizing the communities.

Definitions and Descriptions:

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Affordable Housing - Funding	1	Affordable Housing for First Time Homebuyer
		2	Affordable Housing - Habitat
		3	Affordable Rental Housing for Low Income Families
4	Administration and Planning	4	Administration and Planning
9999	Restricted Balance	No activities in this project	



Activities

Project # / Title: 1 / Affordable Housing - Funding Mechanisms

Grantee Activity Number: 1
Activity Title: Affordable Housing for First Time Homebuyer

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

1

Projected Start Date:

01/01/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Affordable Housing - Funding Mechanisms

Projected End Date:

12/31/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,818,255.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,818,255.00

Program Income Account:

NSP 1 Program Income

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	1	1		100.00
# Owner Households	9		9	100.00
# of Households	10	1	9	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	10
# of Housing Units	10
# of Properties	10



Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

Town of Islip Community Development Agency

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

Town of Islip Community Development Agency

Organization Type

Unknown

Proposed Budget

\$ 2,818,255.00

Funding Source Name

Neighborhood Stabilization Program

Matching Funds

No

Funding Amount

\$ 0.00

Location Description:

The foreclosed houses to be acquired and rehabilitated under this program will all be located in the hamlets of Bay Shore, Brentwood and Central Islip, in accordance with the findings of the needs analysis.

Activity Description:

This project will entail the acquisition and rehabilitation of foreclosed houses within the three target communities for rental or sale to families earning between 50% and 120% of median income. The CDA staff will carefully inspect each home to determine the scope of required renovations, and private contractors will bid to perform the renovation work. Purchasers will be selected through a lottery. The intention of this activity is to sell all of the houses to first time homebuyers. If, however, the market falters to the point that potential purchasers are unable to obtain financing from participating banks, or if there are an insufficient quantity of interested purchasers, it may be necessary to rent the homes to income qualified families until the market improves and the backlog of houses for sale in the communities is greatly reduced. This activity is not designed to meet the low income housing requirement for those below 50% of area median income.



Grantee Activity Number: 2
Activity Title: Affordable Housing - Habitat

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

1

Projected Start Date:

01/01/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Affordable Housing - Funding Mechanisms

Projected End Date:

12/31/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 400,000.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 400,000.00

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
3	3		100.00
3	3		100.00

of Households

Proposed Accomplishments

of Singlefamily Units

Total

3

of Housing Units

3

ELI Households (0-30% AMI)

of Properties

3

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Habitat For Humanity of Suffolk

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Habitat For Humanity of Suffolk

Town of Islip Community Development Agency

Organization Type

Non-Profit

Unknown

Proposed Budget

\$ 400,000.00

\$ 0.00



Funding Source Name**Matching Funds****Funding Amount****Neighborhood Stabilization Program**

No

\$ 0.00

Location Description:

The foreclosed houses to be acquired and rehabilitated under this program will all be located in the hamlets of Bay Shore, Brentwood and Central Islip, in accordance with the findings of the needs analysis.

Activity Description:

This project will entail the acquisition and rehabilitation of foreclosed houses within the three target communities for rental or sale to families earning less than 50% of median income. Habitat for Humanity of Suffolk will be given approximately two foreclosed houses to renovate and re-sell to first time homebuyers through the Section Eight Homeownership Program operated by the Town of Islip Housing Authority. Habitat staff will carefully inspect each home to determine the scope of required renovations, and volunteers as well as private contractors will perform the renovation work. Purchasers will be selected from amongst Islip Housing Authority's Family Self Sufficiency Program participants, in cooperation with Habitat for Humanity's Family Selection Committee. This activity is designed to meet the low income housing requirement for those below 50% of area median income.

Grantee Activity Number: 3
Activity Title: Affordable Rental Housing for Low Income Families

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

1

Projected Start Date:

01/01/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Affordable Housing - Funding Mechanisms

Projected End Date:

12/31/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 530,098.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 530,098.00

Program Income Account:

NSP 1 Program Income

Proposed Beneficiaries

Renter Households

Total **Low** **Mod** **Low/Mod%**

2 2 100.00

of Households

2 2 100.00

Proposed Accomplishments

of Singlefamily Units

Total

2

of Housing Units

2

ELI Households (0-30% AMI)

2

of Properties

2

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Community Development Corporation of Long Island

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Community Development Corporation of Long Island

Organization Type

Non-Profit

Proposed Budget

\$ 530,098.00



Funding Source Name

Neighborhood Stabilization Program

Matching Funds

No

Funding Amount

\$ 0.00

Location Description:

The foreclosed houses to be acquired and rehabilitated under this program will all be located in the hamlets of Bay Shore, Brentwood and Central Islip, in accordance with the findings of the needs analysis.

Activity Description:

This project will entail the acquisition and rehabilitation of foreclosed houses within the three target communities for rental to families earning less than 50% of median income. One or more non-profit partners will be selected by the CDA to take possession of foreclosed homes, carefully inspect them to determine the scope of required renovations, and private contractors will bid to perform the renovation work. Tenants will be selected by the non-profit in a fair and equitable manner to be reviewed and approved by the CDA. The intention of this activity is to develop new permanently affordable rental housing units to be owned and managed by qualified non-profit agencies. This activity is designed to meet the low income housing requirement for those below 50% of area median income.

Project # / Title: 4 / Administration and Planning**Grantee Activity Number:**

4

Activity Title:

Administration and Planning

Activity Type:

Administration

Project Number:

4

Projected Start Date:

01/01/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Completed

Project Title:

Administration and Planning

Projected End Date:

12/31/2012

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 372,039.00**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 372,039.00

Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

Town of Islip Community Development Agency

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Town of Islip Community Development Agency	Unknown	\$ 372,039.00
Funding Source Name	Matching Funds	Funding Amount
Neighborhood Stabilization Program	No	\$ 0.00

Location Description:

General program administration will be perform at the Agency's current location of 15 Shore Lane, Bay Shore, NY 11706.

Activity Description:

General administration and planning relating to the implementation of the three other activities, plus reporting and monitoring.

Action Plan Comments:

- Reviewer - Reviewed modified AP. Benefit performance measures appear reasonable and in agreement with substantial amendment.
- Reviewer - Allison R. - Grantee has made the suggested changes from the 9/6/11 Action Plan. Direct Benefit data has been updated and corrected for Activity 1.
- Reviewer - Grantee has changed Estimated Program Income which now equates to \$18,614.20. Grantee has stated this will change every quarter. - Allison Richards
- Reviewer - Grantee has modified projected program Income, increased the project budget for Activity 1 and has corrected drawdowns of Program Income previously reported.- AR 7-26-12
- Reviewer - Grantee changed Program Income from \$200,000 to \$400,000. This represents the only change to the Plan. All other aspects of the Plan remain the same and were previously reviewed and approved by HUD.



Action Plan History

Version

Date

B-08-MN-36-0102 AP#1	01/20/2010
B-08-MN-36-0102 AP#2	10/14/2011
B-08-MN-36-0102 AP#3	04/30/2012
B-08-MN-36-0102 AP#4	07/26/2012
B-08-MN-36-0102 AP#5	07/30/2014
B-08-MN-36-0102 AP#6	07/31/2014
B-08-MN-36-0102 AP#7	02/13/2017
B-08-MN-36-0102 AP#8	04/28/2017

