

Action Plan

Grantee: Union County, NJ

Grant: B-11-UN-34-0102

LOCCS Authorized Amount: \$ 1,574,051.00
Grant Award Amount: \$ 1,574,051.00
Status: Reviewed and Approved

Estimated PI/RL Funds:

Total Budget: \$ 1,574,051.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

The County used a combination of local knowledge and expertise and the HUD-provided need score as its basis for determining areas of greatest need. The HUD needs score formula is based on a number of data sources:

- Rate of Subprime Loans is based on HMDA data on high cost and high leverage loans made between 2004 and 2007 at the Census Tract level.
- Change in Unemployment Rate between March 2005 and March 2010 based on BLS Local Area Unemployment Statistics
- Fall in Home Values based on data from Federal Housing Finance Agency Home Price Index.
- HUD estimates for each neighborhood the number of foreclosure starts between January 2007 and March 2010 as well as the number of foreclosure completions between January 2007 and June 2010

United States Postal Service data on addresses not picking up mail for 90 days or longer at the Census Tract level.

The County first identified all census tracts with a need score above the state's Minimum Threshold NSP3 Score of 16. These are the areas determined by HUD to have the highest percentage of home foreclosures, the highest percentage of homes financed by subprime mortgage related loan, and those most likely to face a significant rise in the rate of home foreclosures. Based on the amount of resources available under the NSP3 program, the County estimated it could address approximately thirty properties. The County further refined its target areas so that the amount of resources available would have a greater impact on the selected neighborhoods.

How Fund Use Addresses Market Conditions:

Overall, Union County is still recovering from the foreclosure crisis and economic recession. As the current situation clearly demonstrates, the housing market at the local level is also affected by national economic conditions and policies. The three areas of greatest need selected by the county, Elizabeth, Hillside, and Plainfield, have chronic issues that pre-date the recession, including large number of vacancies and substandard units. In all three areas the majority of the housing stock is more than fifty years old with a large number of units that require substantial rehabilitation or in some cases demolition and redevelopment. Given current market conditions, the County will favor projects that will redevelop vacant, foreclosed, and substandard properties into affordable housing opportunities, both rental and owner, for low income households. The County favors a mix of affordable rental and owner occupied housing to provide a range of affordable housing opportunities. The NSP-funded rental units will provide safe, decent housing for the lowest income levels while the owner units will take advantage of relatively low mortgage rates and prices and solidify resident investment in these areas.

Ensuring Continued Affordability:

All projects assisted with NSP funds will be subject to the following long term affordability restrictions: Rental Housing NSP Per Unit Subsidy Affordability in Years Rehabilitation or Acquisition of existing housing Under
\$15,000 5 \$15,000 -



\$40,000	10	\$40,001 or more	15	New
Construction		20	Owner Occupied	
Housing			NSP Per Unit Subsidy	Affordability in
Years		Under \$15,000		

Definition of Blighted Structure:

A structure is considered blighted when it displays objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare. Under New Jersey Law, a municipality may exercise its police power to take appropriate action to remediate a property if the property is "unfit for human habitation or occupancy, or use, due to dilapidation, defects increasing the hazards of fire, accidents or other calamities, lack of ventilation, light or sanitation facilities, or due to other conditions rendering such buildings, or part thereof, unsafe or insanitary, or dangerous or detrimental to the health or safety or otherwise inimical to the welfare of the residents of said municipality..." N.J.S.A.40:48-2.3.

Definition of Affordable Rents:

A rent is considered affordable if the tenant does not pay more than 30 percent of their household's monthly income towards rent and utilities.

Housing Rehabilitation/New Construction Standards:

The County will utilize the Uniform Construction Rehabilitation Subcode for the rehabilitation of existing housing units. (N.J.A.C. 5:23-6.1) In addition, the County will comply with NSP3 standards, including:

- All gut rehabilitation or new construction up to three stories must be designed to meet the standard for Energy Star Qualified New Homes;
- All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy);
- Where applicable, Energy Star-46 labeled products shall be used to replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers); and Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

Vicinity Hiring:

The County is required, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity and contract with small businesses that are owned and operated by persons residing in the identified areas of greatest need. To meet this requirement, the County will follow Section 3 standards and undertake the following actions:

- Advertise training and employment opportunities in Areas of Greatest Need
- Partner with housing authorities within the Areas of Greatest Need to advertise training and employment opportunities
- Provide preferences for Section 3 businesses in contracting opportunities
- Where applicable, include Section 3 language in contracts and subcontracts
- Provide information and assistance to developers and contractors to help them provide employment and contract opportunities to low income residents within the Areas of Greatest Need

Procedures for Preferences for Affordable Rental Dev.:

The NSP3 allocation included statutory language requiring the establishment of procedures to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

As the County reviews and ranks NSP3 developer proposals, the County will give projects additional points based on the number of rental units included.

Grantee Contact Information:

NSP3 Program Administrator Contact Information

Name (Last, First)

Faella, Alfred J.

Email Address

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Phone Number

908-527-4086

Mailing Address

Union County Department of Parks and Community Renewal

Union County Administration Building

10 Elizabethtown Plaza

Elizabeth, New Jersey 07207



Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
NSP3-1	Acquisition/Rehabilitation	NSP3-1 Acq/Rehab SET ASIDE	Acquisition/Rehabilitation Set Aside
NSP3-2	Redevelopment	NSP3-1 Redevelopment Set Aside NSP3-2 DEMOLITION	Redevelopment Set Aside DEMOLITION
NSP3.3	Administration	NSP3-4 ADMINISTRATION	ADMINISTRATION



Activities

Project # / Title: NSP3-1 / Acquisition/Rehabilitation

Grantee Activity Number: NSP3-1 Acq/Rehab SET ASIDE
Activity Title: Acquisition/Rehabilitation Set Aside

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 NSP3-1

Projected Start Date:
 04/01/2011

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.

Activity Status:
 Under Way

Project Title:
 Acquisition/Rehabilitation

Projected End Date:
 04/01/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 566,646.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 566,646.00

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	4	4		100.00
# of Households	4	4		100.00

Proposed Accomplishments	Total
# of Multifamily Units	4
# of Housing Units	4
# ELI Households (0-30% AMI)	
#Dishwashers replaced	4
#Refrigerators replaced	4
#Replaced hot water heaters	4
#Replaced thermostats	4
#Efficient AC added/replaced	4
#Additional Attic/Roof Insulation	4
#Energy Star Replacement Windows	4
# of Properties	2



Activity is being carried out by Grantee:

No

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

County of Union

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
County of Union	Unknown	\$ 400,000.00

Location Description:

Two units at 835 East Jersey Street, Elizabeth, NJ (Census tract #31200)
 Two units at 643 Franklin Street, Elizabeth, NJ (Census tract #31000)

Activity Description:

THE County will provide development financing to qualify developers to acquire and rehabilitate properties to create affordable housing opportunities for households with incomes that do not exceed 50% of the median area income. Financing will be structured to maximize the affordability of the units including zero percent interest, deferred, and forgivable debt structures. The County will ensure its partners, to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects and contract with small local businesses.

Environmental Assessment: UNDERWAY**Environmental Reviews:** None**Project # / Title: NSP3-2 / Redevelopment**

Grantee Activity Number: NSP3-1 Redevelopment Set Aside
Activity Title: Redevelopment Set Aside

Activity Type:

Construction of new housing

Project Number:

NSP3-2

Projected Start Date:

04/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Status:

Under Way

Project Title:

Redevelopment

Projected End Date:

04/01/2013

Project Draw Block Date by HUD:

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.

Activity Draw Block Date by HUD:

Total Budget:	\$ 850,000.00
Most Impacted and Distressed Budget:	\$ 0.00
Other Funds:	\$ 0.00
Total Funds:	\$ 850,000.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	42	42		100.00
# Owner Households				0.0
# of Households	42	42		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	21
# of Multifamily Units	21
# of Housing Units	42
#Sites re-used	21

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Elizabeth

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Elizabeth	Unknown	\$ 973,132.90

Location Description:

21 rental units at 460-466 Spring Street, Elizabeth, NJ (Census tract #31300)
21 units scattered sites, Elizabeth, NJ (Census tract #30400)

Activity Description:

THE County will provide development financing to qualify developers to redevelop properties to create affordable housing opportunities for households with incomes that do not exceed 50% of the median area income. Financing will be structured to maximize the affordability of the units including zero percent interest, deferred, and forgivable debt structures. The County will ensure its partners, to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects and contract with small local businesses.

Environmental Assessment: UNDERWAY



Environmental Reviews: None



Grantee Activity Number: NSP3-2 DEMOLITION
Activity Title: DEMOLITION

Activity Type:
 Clearance and Demolition

Project Number:
 NSP3-2

Projected Start Date:
 04/01/2011

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

Benefit Report Type:
 Area Benefit (Census)

Activity Status:
 Cancelled

Project Title:
 Redevelopment

Projected End Date:
 04/01/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 0.00
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 0.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Persons	14879	5322	2481	52.44

Proposed Accomplishments	Total
# of Properties	5

LMI%:	52.44
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Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 County of Union

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
County of Union	Unknown	\$ 50,000.00

Location Description:
 Areas of greatest need including Elizabeth, Hillside and Plainfield



Activity Description:

Funds will be used to pay for the demolition of approximately blighted structures.

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Project # / Title: NSP3.3 / Administration

Grantee Activity Number: NSP3-4 ADMINISTRATION
Activity Title: ADMINISTRATION

Activity Type:

Administration

Project Number:

NSP3.3

Projected Start Date:

04/01/2011

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)

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

04/01/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 157,405.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 157,405.00

Benefit Report Type:

NA



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

County of Union

Proposed budgets for organizations carrying out Activity:

Responsible Organization

County of Union

Organization Type

Unknown

Proposed Budget

\$ 157,405.10

Location Description:

Activity Description:

ADMINISTRATION AND MONITORING OF NSP3 PROGRAMS

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Action Plan Comments:

Reviewer - Action Plan amended to transfer program income to the CDBG program.

Action Plan History

Version

Date

B-11-UN-34-0102 AP#1

07/15/2013

B-11-UN-34-0102 AP#2

03/07/2014

B-11-UN-34-0102 AP#3

10/19/2017

B-11-UN-34-0102 AP#4

10/19/2017

