

City of Springfield, MA

FY10-11 Action Plan Amendment #1

Jurisdiction: City of Springfield	Contact Person: Geraldine McCafferty, Director, Office of Housing Address: 1600 E. Columbus Ave. Springfield, MA 01103 Telephone: (413) 787-6500 Fax: (413) 787-6515 Email: gmccafferty@springfieldcityhall.com
Jurisdiction Web Address: www.springfieldcityhall.com <i>(URL where Action Plan Amendment materials are posted)</i>	

The City of Springfield's FY10-11 Action Plan has been submitted to, and approved by, the U.S. Department of Housing and Urban Development. The City proposes to amend this plan, as follows: the City will use HOME funds for a new activity, which is creation of a lease-to-homeownership program.

A. PROPOSED NEW ACTIVITY

(1) **Activity Name:** Lease-to-Homeownership Program

(2) **Activity Type:** HOME Investment Partnership Program, acquisition of single-family homes to be used for housing affordable to households at or below 80% area median income.

24 CFR 92.205: HOME funds may be used by a participating jurisdiction to provide incentives to develop and support...homeownership affordability through the acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organization.

24 CFR 92.206(c) and (d): Eligible project costs include acquisition costs and related soft costs.

(3) **National Objective:** Provides permanent residential structures that will be occupied by a household whose income is at or below 80% of area median income.

(4) **Activity Description:** The City will provide assistance to a non-profit developer for acquisition of newly-constructed single-family homes in a Neighborhood Stabilization Program (NSP) neighborhood, which will be made available to moderate-income households on a lease-to-homeownership model. The activity supports stabilization of the City's NSP neighborhood, while also enabling moderate-income households to become homeowners. The lease-to-homeownership model is intended to address the fact that there are households with sufficient income to become homeowners, but these households need time and coaching to become able to be approved for a mortgage.

(5) Location Description: The City of Springfield will carry out this activity in the Six Corners neighborhood, which is located in the City's Neighborhood Stabilization Program area, and also in the City's Neighborhood Revitalization Strategy Area. The specific project location is 287-319 Central Street, Springfield, MA 01105.

(6) Performance Measures: In FY10-11, the program will produce 2 units of housing for homeownership, for households with incomes at or below 80% area median income. Over a three-year period, the project will produce 6 units.

(7) Total Budget:

FY10-11: \$462,900, City of Springfield HOME funds

These funds are reallocated from other activities as follows: \$240,000 unexpended carryover from prior years, \$80,000 from non-CHDO homeownership production, and \$100,000 from rental production.

TOTAL PROJECT (over 3 years): \$758,700, City of Springfield HOME funds
\$630,000, bank financing

(8) Responsible Organization: North End Housing Initiative, 2594 Main St., Springfield, MA 01107, 413-747-0090; contact: Jose Claudio, jclaudio@newnorthcc.org.

(9) Projected Start Date: November 1, 2010

(10) Projected End Date: The projected end date for the first two properties is June 30, 2011. The projected end date for the entire project is June 30, 2013.

B. PUBLIC COMMENT

The City of Springfield advertised the availability of FY10-11 Action Plan Amendment #1 in the legal ad section of *The Republican* on September 27, 2010. The Amendment was available on the City's website and at the City's offices of community development and housing beginning September 28, 2010. Interested individuals were asked to submit comments in writing or via email by October 4, 2010.

No comments were received on the FY10-11 Action Plan Amendment #1.



U.S. Department of Housing and Urban Development

**MASSACHUSETTS STATE OFFICE, NEW ENGLAND AREA
Office of Community Planning and Development
Thomas P. O'Neill, Jr. Federal Building
10 Causeway Street - Fifth Floor
Boston, Massachusetts 02222-1092**

Fax (617) 565-5442

CPD website: <http://www.hud.gov/offices/cpd/communitydevelopment/index.cfm>

OCT 27 2010

Cathy Buono, Director of Finance
Community Development Department
Springfield City Hall, 36 Court Street
Springfield, MA 01103

Dear Ms. Buono:

**SUBJECT: City of Springfield Reports 2010 Action Plan Amendment #1
Year Ending June 30, 2011**

We are writing to acknowledge the City of Springfield's submission of an Action Plan Amendment, received on October 25, 2010, developed the amendment in accordance with 24 CFR 91.105 and its Citizen Participation Plan.

The City is proposing to allocate \$ 758,700, City of Springfield HOME funds leveraged with \$630,000, in bank financing for a lease to own homeownership program.

Please do not hesitate to contact Paula Newcomb, Senior CPD Representative at 617-994-8378 with any questions or concerns you may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert D. Shumeyko".

Robert D. Shumeyko
Director

C: Geraldine McCafferty, Director