

**Chicago Amendment to the NSP1 Substantial Amendment
July 22, 2010**

Jurisdiction(s): City of Chicago, IL Jurisdiction Web Address: http://www.cityofchicago.org/city/en/depts/dcd/supp_info/neighborhood_stabilizationprogram.html	NSP Contact Person: Amy Kish-Wruck Email: amy.kish_wruck@cityofchicago.org Telephone: 312-744-1832 Fax: 312-744-0535
Grant Number: B08-MN-17-0002	

I. Amendment to Allocation Priorities

The City of Chicago is amending its NSP1 Substantial Amendment in order to effectively stabilize neighborhoods. The amendment consists of 5 primary changes to allocation priorities at the project level that will support the strategies used to address foreclosed and abandoned properties in areas of greatest need.

1. In the NSP 1 Substantial Amendment, it was estimated that a total of \$35,187,500 in NSP funds would be used to carry out the acquisition and rehab of properties for rental and homeownership. Due to current market conditions, this amendment increases funding to a total of \$44,737,215 for the acquisition and rehab of properties for rental and homeownership.
2. A less than anticipated number of properties will be land banked for future redevelopment opportunities. Therefore, this amendment will reduce the \$4,500,000 allocated for land banking in the NSP1 Substantial Amendment to \$256,000.
3. Due to the condition of some NSP properties and the need to stabilize blocks, demolition has become a necessary disposition strategy. The NSP 1 Substantial Amendment stated that \$2,000,000 would be dedicated to the demolition of properties. This amendment will increase demolition funds by \$21,000 for a total of \$ 2,021,000.
4. The redevelopment of residential properties has become an increasingly important activity to stabilizing blocks rather than undertaking new construction. Therefore, this amendment allocates a total of \$2,700,000 to the redevelopment of residential properties and eliminates funding for new construction.
5. The NSP 1 Substantial Amendment anticipated that homebuyer financing and loan pools would be needed. Although financial assistance for homebuyers is still expected, this will be accomplished through a direct subsidy that will be recorded as a non performing second mortgage. This change in administering homebuyer financing assistance eliminates the need for separate financing mechanisms.

A comparative summary of project level budget changes are provided below:

CURRENT		AMENDED	
Activity from Substantial Amendment	Current NSP Budget	Activity Renamed	Amended NSP Budget
Acquisition for Rehab	\$26,562,500	Acquisition and Rehab for Rental and Homeownership	\$44,737,215
Rehab for Rental	\$4,500,000		
Rehab for Homeownership	\$4,125,000		
Acquisition for Land bank	\$4,500,000	Acquisition for Land bank	\$256,000
Demolition	\$2,000,000	Demolition	\$2,021,000
New Construction	\$2,400,000	Redevelopment of Residential Properties	\$2,700,000
Homebuyer Financing/ Loan Pool	\$5,626,715	N/A	\$0
Administration	\$5,523,802	Administration	\$5,523,802
Total	\$55,238,017	Total	\$55,238,017