

**COMBINED NOTICE
NOTICE TO PUBLIC OF NO SIGNIFICANT IMPACT ON THE
ENVIRONMENT
AND NOTICE TO PUBLIC OF REQUEST FOR RELEASE OF FUNDS
CITY OF BIRMINGHAM, ALABAMA**

TO ALL INTERESTED AGENCIES, GROUPS, AND PERSONS:

On or about **June 10, 2010**, the City of Birmingham, Alabama (the City) will submit a request to the U.S. Department of Housing and Urban Development (HUD) to release Federal funds under Title I of the Housing and Community Development Act of 1974 (P.L. 93-383) for the following project:

Project Description:

EFFECTIVE DATES: Program Years (PY) 2010-2015 (July 1, 2010-June 30, 2015)

PURPOSE:

To assure that all Single Family and Multi Family affordable housing program activities undertaken by the City of Birmingham's Community Development Department under the Community Development Block Grant Program (CDBG), Home Investment Partnership Program (HOME), Community Development Block Grant Recovery (CDBG-R), and Neighborhood Stabilization Program (NSP) undertaken at sites unspecified prior to the release of funds for these programs are in compliance with environmental laws and authorities as identified in 24 CFR 58.35, the City has developed an Environmental Monitoring Strategy for Unspecified Sites. A copy of the Monitoring Strategy is available for inspection in the City's Community Development Department; 710 North 20th Street; 10th floor City Hall, Birmingham, Alabama and is available on the City Website-Community Development Department webpage at www.birminghamal.gov.

A description of these programs is included herein, however, they will include the following City Wide activities: Single Family homeowner and renter rehabilitation; multi-family or unit rehabilitation; single family homeownership assistance (new homebuyer downpayment assistance program) for existing structures; land acquisition, site improvements, and infrastructure for single family homeownership; multi-unit acquisition, and all activities relating to the administration of the City's CDBG, HOME, CDBG-R, and NSP programs.

AREA COVERED: City Wide-Corporate City limits of Birmingham, Alabama, as amended.

APPLICABLE ACTIVITIES:

Only activities specified at 24 CFR 58.35 as Categorical Exclusions are included in this monitoring strategy. Categorical exclusion refers to a category of activities for which no environmental impact statement or environmental assessment and finding of no significant impact under NEPA is required, except in extraordinary circumstances (see 24 CFR 58.2(a)(3)) in which a normally excluded activity may have a significant impact. Compliance with the other applicable Federal environmental laws and authorities listed in Sec. 58.5 is required for any categorical exclusion listed at 24 CFR 58.35(a).

The rehabilitation of buildings and improvements are designated as categorically excluded at 24 CFR 58.35(a)(3)(i) when the following conditions are met:

- i. In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, and the footprint of the building is not increased in a floodplain or in a wetland;
- ii. In the case of multifamily residential buildings;
 - A. Unit density is not changed more than 20 percent;
 - B. The project does not involve changes in land use from residential to non-residential; and,
 - C. The estimated cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

The following are also designed as categorically excluded at 24 CFR 58.35(a)(4):

- i. An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or
- ii. An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site.
- iii. Paragraphs (a)(4)(i) and (ii) of this section do not apply to rehabilitation of a building for residential use (with one to four units) (see paragraph (a)(3)(i) of this section).

PROJECT DESCRIPTIONS:

The following is a summary of the activities included in this strategy that are undertaken by the City of Birmingham under the CDBG, HOME, CDBG-R, and NSP programs to provide Housing Rehabilitation to low-and moderate income persons. Any adjustments to these programs undertaken during Program Years 2010-2015 will be re-evaluated annually.

Project Name and Identification Number:

Project Description:

Community Development Block Grant (CDBG); Community Development Block Grant Recovery (CDBG-R); Home Investment Partnership (HOME); Neighborhood

Stabilization Program (NSP)-HUD; Neighborhood Stabilization Program (NSP)-ADECA. These reflect the City of Birmingham's Proposed Affordable housing programs to be undertaken under anticipated Entitlement Funding to be received during the period July 1, 2010 thru June 30, 2015 under the CDBG and HOME programs and through ongoing Stimulus Program activities previously funded and reviewed as a part of the City's Environmental Record created at the time of award for each of these programs. These ongoing stimulus programs presently include CDBG-R, NPS-HUD, & NSP-ADECA for unspecified sites that may receive assistance and receive further site specific review during the timeframe 7/1/2010-6/30/2015. The following detailed information is provided for reference purposes:

Funding Levels:

Entitlement Programs (CDBG & HOME) funding levels vary from year to year depending upon Congressional Authorization. Presently, only the PY 2010 Allocations are known for these programs. Stimulus Program Funding (NSP-HUD, NSP-ADECA, and CDBG-R) are anticipated to be one time only grant awards.

Entitlement Program Grant Numbers & PY 2010 Allocations:

CDBG: B-10-MC-01-0002 Thru B-15-MC-01-0002
 HOME: M-10-MC-01-0002 Thru M-15-MC-01-0002

Entitlement Programs for PY 2010 (July 1, 2010-June 30, 2011):

1. Community Development Block Grant Program:	
PY 2010 Grant	\$7,223,115.00
PY 2010 Anticipated Program Income:	1,037,840.00
Surplus Urban Renewal Funds:	0.00
Returned Grant Funds:	0.00
Prior Year Funds:	0.00
Future Year Income Expected from a Float Funded Activity	<u>1,000,000.00</u>
	\$9,260,955.00
2. PY 2010 HOME Grant:	\$2,259,018.00
PY 2010 Anticipated HOME Program Income	<u>112,535.00</u>
	\$2,371,553.00

Stimulus Program Grant Numbers and Allocations:

CDBG-R: B-09-MY-01-0002: \$1,788,754.00
 NSP-HUD: B-08-MN-01-0001: \$2,580,214.00
 NSP-ADECA: NSP-GV-08-002: \$ 2,000,000.00

Summary of Planned Activities:

The following is a summary of the activities included in the City's planned Single Family and Multi-Family Residential Rehabilitation and New Construction activities to be undertaken by the City under the CDBG, HOME, CDBG-R, NSP-HUD, and NSP-ADECA Programs to provide affordable housing through rehabilitation and new construction activities to low-and moderate income persons. Any adjustments to these

programs undertaken during Program Years 2010-2015 (July 1, 2010-June 30, 2015) will be re-evaluated annually.

Project Summary/Purpose of the Project:

UNSPECIFIED SITE REVIEW STRATEGY FOR HOUSING REHABILITATION ACTIVITIES:

Funding levels for these activities vary from year to year depending on the amount of CDBG and HOME funds awarded to the City of Birmingham by the U.S. Department of Housing and Urban Development. Further, the Stimulus Programs referenced herein are likely one time allocation awards a portion of which will be undertaken during program years 2010-2015. Generally, these programs provide for the acquisition and rehabilitation of owner-occupied and rental substandard structures on a City wide basis, non-profit organization housing service provider agreements, and associated program operation costs. Also includes loan processing and servicing costs, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section. The locations of each individual property to be acquired or rehabilitated is not presently known, but will be individually reviewed for Environmental Compliance in accordance with the City's Unspecified Site Review Strategy for Residential Rehabilitation Activities.

Detailed descriptions of these and other housing related programs are available in the Community Development Department-Housing Division, 710 North 20th Street, Room 700; Birmingham, Al 35203. This activity is anticipated to generate program income and is to be administered by the City's Community Development Department-Housing Division on a city wide basis. Proposed programs, activities, and anticipated funding levels follow:

Proposed Housing Rehabilitation Activities & Descriptions

**PROJECT: HOUSING REHABILITATION: \$5,172,383
(570.202)**

Project ID/Local ID 6; Project Title: Housing Rehabilitation Activities; Priority Need 1- Provide decent and affordable housing for low and very low-income households; Priority Need 2- Provide down-payment assistance to first-time homebuyers meeting program income guidelines and requirements; Priority Need 3- Provide housing services for populations with special needs; Priority Need 4- Provide housing and supportive services for homeless populations; Eligibility (570.202)-Eligible Rehabilitation and preservation activities; National Objective 570.208 (a)-Activities Benefiting low-and moderate-income persons; Help the Homeless? No; Help people with HIV or AIDS? No; Subrecipient: N/A; Location: City Wide; HUD Matrix Code: 14A-Rehabilitation Single Unit Rehabilitation and 14B-Rehabilitation Multi-Unit Residential: Proposed Accomplishments: See individual activities; Start Date: 7/1/2010; Completion Date:

6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability; Description:

Provides for the rehabilitation of owner-occupied and rental substandard structures on a City wide basis, non-profit organization housing service provider agreements, and associated program operation costs. Also includes loan processing and servicing costs, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized under this section. Detailed descriptions of these and other housing related programs are available in the Community Development Department-Housing Division, 710 North 20th Street, Room 700; Birmingham, Al 35203. This activity is anticipated to generate program income and is to be administered by the City's Community Development Department-Housing Division on a city wide basis.

Housing Rehabilitation Activities & Description:

Although Entitlement Amounts vary year to year, from 7/1/10 thru 6/30/15 the City anticipates the following approximate annual allocation of CDBG funds for the Housing Rehabilitation Activities described as follows:

A. Program Costs: \$1,238,754

Costs associated with rehabilitation services including the preparation of work specifications, loan/application processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in rehabilitation activities authorized under 24 CFR 570.202. Includes staff salaries, legal services, mortgage servicing, and other related costs. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

B. Rehabilitation Activity Costs: \$3,933,629

-Rehabilitation Loan Program: \$50,000

Provides long term financing up to 30 years for low-moderate income homeowners for the rehabilitation of owner-occupied single family structures, re-construction of single family houses and long term financing of reconstruction up to \$40,000 per qualified homeowner. Proposed Accomplishments: 2 Housing Units to be rehabilitated. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

- Deferred Payment Loan Program: \$100,000

Provides loans to elderly (62 years or older) and disabled low-and moderate income homeowners up to \$15,000 per qualified homeowner. Proposed Accomplishments: 9 Housing Units to be rehabilitated. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

- Lead Based Paint Hazard Compliance and Matching Funds: \$100,000

Funds for lead based paint regulatory compliance. Includes equipment, inspection, risk assessment, project design, interim controls, abatement, testing, training, matching funds and other costs associated with regulatory compliance. Also provides up to \$40,000 per qualified household for Lead Hazard reduction assistance. Proposed Accomplishments: 10 Housing Units to be rehabilitated. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

- Critical Repair Grant Program: \$2,650,529

Provides grants of eligible rehabilitation expenses to low-and moderate income homeowners up to \$15,000 per qualified homeowner. Proposed Accomplishments: 125 Housing Units to be rehabilitated. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #1-Availability/Accessibility.

- Property Acquisition/Demolition: \$41,000

Provides for acquisition of real property and related demolition costs associated with housing rehabilitation activities. Includes the clearance, demolition, transfer of and removal of buildings and improvements. Proposed Accomplishments: 4 Properties to be acquired and/or demolished. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #3-Sustainability.

-Multi-Family Loan Program: \$25,000

Provides low interest loans for multi-family structures to encourage the rehabilitation of sub-standard or aging housing. Proposed Accomplishments: 1 Multi-Family Housing Unit to be assisted. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

-Independent Living Resources of Greater Birmingham: \$220,000

206 13th Street South
Birmingham, AL 35233

Provides assistance to qualified disable residential tenants and disabled homeowners to enable modifications to be made to their residence. Proposes to modify homes at an average cost of \$3,000. The maximum allowable grant would be up to \$3,500 per household. The agency's Executive Director may grant an exception to the \$3,500.00 maximum in a limited number of cases where the need exists. Proposed Accomplishments: 47 Housing Units to be assisted. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #1-Availability/Accessibility.

-Rising West Princeton Corporation: \$25,000

1708 1st Avenue, West
Birmingham, Al 35208

Provide rehabilitation services & support and provide acquisition and rehabilitation activities in Rising West Princeton. Proposed Accomplishments: 10 Housing Units to be assisted. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

-Greater Birmingham Habitat for Humanity: \$82,100

4408 Lloyd Nolan Parkway
Fairfield, Al 35064

Authorize the Mayor to enter into necessary agreements to provide housing rehabilitation services through the Habitat for Humanity Rehabilitation Program. Proposed Accomplishments: 20 Housing Units to be assisted. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

- Metro Changers, Inc.: \$640,000

750 Montclair Road
Birmingham, Al 35213

Authorize the Mayor to enter into necessary agreements to provide housing rehabilitation services through the Worldchangers Rehabilitation Program. Proposed Accomplishments: 150 Housing Units to be assisted. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

Proposed HOME Program Activities and Description:

Although Entitlement Amounts vary year to year, from 7/1/10 thru 6/30/15 the City anticipates the following approximate annual allocation of HOME funds for the Housing Rehabilitation Activities described as follows:

B. PROJECT: HOME INVESTMENT PARTNERSHIP PROGRAM (HOME):

PY 2010 HOME Grant:	\$2,259,018
Anticipated Program Income:	<u>\$ 112,535</u>
TOTAL	\$2,371,553

Project ID/Local ID 9; Project Title: HOME Investment Partnership Program; Priority Need 1- Provide decent and affordable housing for low and very low-income households; Priority Need 2-Provide down-payment assistance to first-time homebuyers meeting program income guidelines and requirements; Priority Need 3- Provide housing services for populations with special needs; Priority Need 4-Provide housing and supportive services for homeless populations;; Help Prevent Homelessness? Yes; Help the

Homeless? No; Help those with HIV or AIDS? No; Eligibility Citation: HOME Program; Objective; Benefit to low and moderate income persons; Subrecipients: No; Location(s): City Wide.; HUD Matrix Code: 21-HOME Program.

The HOME Program is to be administered by the City's Community Development Department-Housing Division.

HOME Program Activities & Description:

1) HOME Program Administration Activities: **\$225,901**

Provision of HOME Administrative costs for PY 2010. The City may allocate up to 10% of the total HOME allocation. Costs include general management, monitoring, and evaluation, staff and overhead related to carrying out of the project, including relocation services, the provision of information to residents and citizen groups, fair housing activities, and indirect costs, consultation and publication costs associated with the submission of the Consolidated Plan. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

2) HOME Program CHDO Activities: **\$338,852**

Community Housing Development Organizations (CHDOS) are a specific type of non-profit organization, that provide decent and affordable housing to low-and very low income persons. Fifteen percent (15%) of the City's HOME program funds have been allocated for CHDO activities. Proposed Accomplishments: 15 Housing Units. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

3) HOME Program Homebuyer Activities: **\$1,612,540**

3a.) Greater Birmingham Habitat for Humanity: **\$1,500,000**

4408 Lloyd Nolan Parkway
Fairfield, Alabama 35213

As a part of the HOME Program Homebuyer Activities, the City will enter into an agreement with Greater Birmingham Habitat for Humanity in an amount up to \$1,500,000 in HOME funds to undertake eligible HOME Program Activities and construct single-family low/moderate income units on scattered lots throughout the City. Proposed Accomplishments: 25 Homebuyers. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

3b.) Other Home Program Homebuyer Activities: **\$112,540**

Provision of HOME funds for the acquisition, new construction, and

acquisition/rehabilitation of homes for low and moderate income home buyers. Also provides for downpayment assistance of up to \$10,000 per eligible homeowner and for Special Flood Incentive Program Assistance of up to \$10,000 per eligible homeowner. Proposed Accomplishments: 10 Homebuyers. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

4) HOME Program Rental Activities: \$194,260

Provision of HOME funds for the acquisition/rehabilitation, rehabilitation, and new construction of substandard or aging multi-family housing units that are suitable for rehabilitation. Proposed Accomplishments: 15 Housing Units. Start Date: 7/1/2010; Completion Date: 6/30/2011; Performance Measure Objective: #2-Decent Housing; Performance Measure Outcome: #2-Affordability.

HOME PROGRAM TOTAL: \$2,371,553

PROGRAM & ACTIVITIES: COMMUNITY DEVELOPMENT BLOCK GRANT RECOVERY (CDBG-R) PROGRAM:

INTRODUCTION:

In accordance with a May 4, 2009 notice issued by the Office of the Assistant Secretary for Community Planning and Development, HUD, grantees eligible to receive funds pursuant to the Community Development Block Grant Program Funding Under the American Recovery and Reinvestment Act of 2009 (CDBG-R) are required to complete a substantial amendment to their Consolidated Plan 2008 Action Plan. In the notice the City received a CDBG-R funding allocation of \$1,788,754.00

To aid grantees in meeting this submission deadline the referenced Notice reduced the requirement for a 30-day public comment period to 7 calendar days and requiring the substantial amendment materials to be posted on the grantee's official website (www.birminghamal.gov) as the materials were developed, published, and submitted to HUD. This process has been completed. Interested parties may also visit the CDBG-R web page on HUD's Recovery Act website, <http://www.hud.gov/recovery>, for updated information and resources. Questions regarding the CDBG-R program may be submitted to HudRecoveryAct@hud.gov.

PROPOSED CDBG-R PROGRAM ACTIVITIES:

The City proposed the following CDBG-R Program Activities:

(1) Activity Name: Eligible Planning, Urban Environmental design and policy-planning-management-capacity building activities and Program Administration costs.

(2) Activity Description:

Payment of planning activities which consist of all costs of data gathering, studies, analysis, and preparation of plans and the identification of actions that will implement such plans, and the reasonable administrative costs and carry charges related to the planning and execution of Community development activities assisted in whole or in part with CDBG-R funding and where applicable, housing activities and overhead costs directly related to carrying out eligible activities described herein.

(3) CDBG-R dollar amount budgeted: \$178,875.00

(4) Eligible Category (Regulatory or HCDA Citation): 24 CFR 570.205 and 24 CFR 570.206; Eligible Planning, Urban Environmental design and policy-planning-management-capacity building activities and Program Administration costs.

(5) National Objective Citation: In accordance with 24 CFR 570.200(a)(3)(i) cost of administration and planning eligible under 570.205 and 570.206 will be assumed to benefit low-and moderate-income persons in the same proportion as the remainder of the CDBG funds and, accordingly shall be excluded from the calculation.

(6) Additional Recovery Act funds for the Activity Received from Other Programs: \$0

(7) Other Leveraged Funding: \$0

(8) Total Activity Budget: \$178,875.00

(1) Activity Name: CDBG-R Critical Repair Grant Program.

(2) Activity Description:

Provision of grants of eligible rehabilitation expenses to low-and moderate income homeowners up to \$5,000 per qualified homeowner for the rehabilitation of single family structures. The primary objective of this program is to deter neighborhood deterioration in Birmingham by providing incentives for rehabilitation of the residential housing stock which can be restored by moderate investment. The program is designed to restore housing before the costs of such repairs become prohibitive and more drastic action, such as demolition, becomes necessary. All rehabilitation is to be performed by licensed contractors of the eligible homeowner's selection. It is estimated 320 Housing Units can be assisted.

(3) CDBG-R dollar amount budgeted: \$1,609,879.00

(4) Eligible Category (Regulatory or HCDA Citation) : 24 CFR 570.202, Eligible rehabilitation and preservation activities.

(5) National Objective Citation: 24 CFR 570.208(a)(3), Housing Activities. An eligible

activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low-and moderate-income households.

(6) Additional Recovery Act funds for the Activity Received from Other Programs: \$0

(7) Other Leveraged Funding: \$0

(8) Total Activity Budget: \$1,609,879.00

PROGRAM & ACTIVITIES: NEIGHBORHOOD STABILIZATON PROGRAM (NSP-HUD):

INTRODUCTION:

The U.S. Department of Housing and Urban Development (HUD) announced a new Neighborhood Stabilization Program (NSP) to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008 (HERA).

NSP GRANT AMOUNT:

On September 29, 2008 the Office of the Secretary, HUD provided notice of the allocation formula and allocation amounts, the list of grantees, alternative requirements, and the waivers of regulations granted to grantees under Title III of Division B of the Housing and Economic Recovery Act of 2008, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes under the Neighborhood Stabilization Program. **In the notice, the City of Birmingham, Alabama received an NSP Grant Allocation of \$2,580,214.00. Additionally the City anticipates the receipt of \$100,000.00 in Anticipated NSP Program Income Receipts for a total estimated budget of \$2,680,214.00.**

REQUIRED SUBMISSIONS FOR ELIGIBLE NSP GRANTEES:

Each NSP grantee receiving an allocation of NSP funds was required to submit to HUD the following by December 1, 2008. (1) Substantial amendment to the City's annual HUD action plan; (2) an SF-424; and (3) signed certifications.

NATURE OF PROGRAM:

HUD awards grants to states and local jurisdictions to stabilize communities hardest hit

by foreclosures and delinquencies. The regulations for NSP grantees are noted at 73 FR 58330.

NSP grantees develop their own programs and funding priorities. However, NSP grantees must use at least 25 percent of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. In addition, all activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income. Activities may not qualify under NSP using the “prevent or eliminate slums and blight” or address urgent community development needs” objectives of the Community Development Block Grant program.

ELIGIBLE USES:

The use of grant funds must constitute an eligible use under Title III of Division B of the Housing and Economic Act of 2008 (HERA) for redevelopment of abandoned and foreclosed homes and residential properties and provides under a rule of construction that, unless HERA states otherwise, the grants are to be considered Community Development Block Grant (CDBG) funds. The grant program under Title III is commonly referred to as the Neighborhood Stabilization Program (NSP).

In addition to being an eligible NSP use of funds, each activity funded must also be CDBG-eligible under 42 U.S.C. 5305(a) and meet a CDBG national objective. NSP funds may be used for activities which include, but are not limited to:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed;
- Establish land banks for foreclosed homes;
- Demolish blighted structures;
- Redevelop demolished or vacant properties.

THE CITY OF BIRMINGHAM’S PROPOSED USE OF NSP FUNDING:

The City proposes the following eligible uses of its NSP funding allocation as authorized pursuant to the Housing and Economic Recovery Act (HERA) and the Community Development Block Grant (CDBG) program:

I. Purchase and Rehabilitation Program for Sale, Rent or Redevelopment:

(1) **Activity Name:**

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment.

- (2) **Activity Type:** (includes NSP eligible use & CDBG eligible activity)

NSP Eligible Use:

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.
- 25CFR 570.201 (a) acquisition, (b) dispositions, (i) Relocation, and (n) Direct homeownership assistance (as modified below):
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
.24 CFR 570.201 (a) Acquisition and (b) Disposition.

- (3) **National Objective:** (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., \leq 120% of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., $<$ 120% of area median income.

- (4) **Total Purchase & Rehabilitation Program Budget:** **\$2,422,193.00**

II. NSP Program Administration:

- (1) **Activity Name:** Administration.

- (2) **Activity Type:** (includes NSP eligible use & CDBG eligible activity)

NSP Eligible

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income.

(4). Total Administration Budget: \$258,021.00

TOTAL NSP GRANT BUDGET: \$2,680,214.00

PROGRAM & ACTIVITIES: NEIGHBORHOOD STABILIZATON PROGRAM (NSP-ADECA):

ADECA-NSP GRANT AMOUNT:

On February 13, 2009 the Alabama Department of Economic and Community Affairs (ADECA) provided notice to the City of Birmingham, Alabama (the City) that it's December 3, 3008 pre-application for State of Alabama NSP program funding has been conditionally approved in the amount of \$2.0 million. ADECA indicated these funds would be available for the acquisition, rehabilitation, and resale of abandoned and foreclosed upon homes.

The City proposed to undertake the following eligible uses as authorized pursuant to the Housing and Economic Recovery Act (HERA) and the Community Development Block Grant (CDBG) program and as outlined in its Pre-Application to ADECA.

I. Purchase and Rehabilitation Program for Sale, Rent, or Redevelopment:

(1) Activity Name:

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment.

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use:

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.

- 25CFR 570.201 (a) acquisition, (b) dispositions, (i) Relocation, and (n) Direct homeownership assistance (as modified below):
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
.24 CFR 570.201 (a) Acquisition and (b) Disposition.

(3) **National Objective:** (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income.

(4). Total NSP Purchase & Rehabilitation Project Budget: \$1,900,000.00

II. Administration:

(1) Activity Name: Administration.

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income.-
Administration of the NSP Program.

(4) Total Administration Budget: \$100,000.00

TOTAL ADECA-NSP PROPOSED BUDGET: \$2,000,000.00

Status of Projects:

The City's Entitlement Programs and Activities referenced herein (CDBG & HOME) are presently under review by the Mayor and City Council and planned activities will begin on or after July 1, 2010 and on July 1 every year thereafter through June 30, 2015. As previously noted, funding levels for the City's Entitlement Programs vary from year to year depending upon Congressional Appropriations.

The Stimulus Programs and Activities referenced herein are presently underway. Additional Stimulus funding is not anticipated at this time but should additional funding become available the City will employ this unspecified site strategy as a means for review of these programs.

Project and Area Description:

The project will assist in the provision of affordable housing to eligible City of Birmingham residents on a City Wide Basis. The project area is the corporate city limits of Birmingham, Alabama. Housing activities will include acquisition, rehabilitation, new construction, site improvements, single-family and multifamily activities, acquisition, infrastructure improvements, and affordable housing homeownership programs and other eligible activities as authorized under the referenced programs.

Existing Conditions and Trends:

In order to meet the goals of improving and preserving the existing housing stock as described in the City's 2010-2015 Consolidated Plan, a copy of which is on file in the City's Community Development Department, as well as provide increased access to affordable housing, the activities described herein will be undertaken. Activities will be undertaken on a City Wide basis.

Project and Area Maps and Plans:

As noted, housing activities will include acquisition, rehabilitation, new construction, site improvements, single-family and multifamily activities, acquisition, infrastructure improvements, and affordable housing homeownership programs. Activities will be undertaken on a City Wide basis.

Summary of Findings and Conclusions:

The proposed Affordable Housing Activities identified herein will benefit the community. The proposed activities will not have an effect on any environmental condition.

Summary of Environmental Conditions:

Proposed activities are in compliance with applicable Federal environmental laws and authorities listed in 58.5. No extraordinary circumstances or conditions at or affecting the location of the proposed activity have been identified.

Project Modifications and Alternatives Considered:

No modifications to the proposed activities are under consideration.

Additional Studies Performed:

City's HUD Approved Consolidated Plan on file in the Community Development Department. Also, Environmental Monitoring Strategy for Unspecified Sites and worksheets.

Mitigation Measures Needed: No mitigation measures are needed at this time.

Is the project in compliance with applicable laws and regulations? Yes

Is an EIS required? No

A Finding of No Significant Impact (FONSI) can be made? Yes

Project will not significantly affect the quality of the human environment? Yes

FINDING OF NO SIGNIFICANT IMPACT (FONSI)

It has been determined that the Request for Release of Funds will not constitute an action significantly affecting the quality of the human environment. The City has decided not to prepare an Environmental Impact Statement under the National Environmental Policy Act of 1969 (P.L. 91-190) because:

The proposed project did not meet the requirements necessary for the preparation of an Environmental Impact Statement (EIS) according to 24 CFR 58.37. An Environmental Review Record (ERR) for the proposed project has been made by the City that documents the environmental review and explains the reasons why an EIS is not required. The ERR is on file at the City's Community Development Department, 10th Floor-City Hall, 710 North 20th Street, Birmingham, Alabama 35203, and is available for public examination and copying for costs of reproduction, Monday through Friday from 8:00 a.m. until 5:00 p.m. Please note the (ERR) includes an Environmental Monitoring Strategy for Unspecified sites.

No further environmental review of this project is proposed prior to the Request for Release of Federal funds.

Public Comments on FONSI

All interested agencies, groups, and persons disagreeing with this decision are invited to submit written comments on or before **June 7, 2010** to Mr. James F. Fenstermaker,

Director, Community Development Department, 10th Floor-City Hall, 710 North 20th Street, Birmingham, Alabama 35203. All comments will be considered and no administrative action will be taken prior to **June 9, 2010.**

NOTICE OF INTENT TO REQUEST RELEASE OF FUNDS (NOI/RROF)

At least one day after the end of the public comment period for the FONSI, but not before comments have been considered and resolved, the City will submit a Request for Release of Funds (RROF) and Certification to HUD. By so doing the City will certify that (1) it has performed the environmental review prescribed by HUD regulations, and (2) the City and William A. Bell, Sr., as Mayor and Certifying Officer, consent to accept the jurisdiction of the federal courts if an action is brought to enforce responsibilities in relation to the environmental review or resulting decision-making and action. By approving the RROF, HUD will satisfy its responsibilities under the National Environment Act, and will allow the City of Birmingham, Alabama to commit Community Development Block Grant funds to this project.

Objection to Release of Funds

HUD will accept objections to its approval of the release of funds and the certification only if: (a) the certification was not in fact executed by the Certifying Officer; or (b) the applicant's Environmental Review Record for the project indicated omission of a required decision, finding, or step applicable to the project in the environmental review process. Objections must be prepared and submitted in accordance with the required procedure (24 CFR Part 58) and may be addressed to the HUD Environmental Clearance Officer, U.S. Department of Housing and Urban Development; Community Planning and Development; Medical Forum Building-Suite 900; 950 22nd Street, North; Birmingham, Alabama 35203-5301. Objections to the release of funds on any other basis will not be considered by HUD. No objection received after **June 28, 2010,** will be considered by HUD.

William A. Bell, Sr., Mayor
City of Birmingham, Alabama
Third Floor, City Hall
710 North 20th Street
Birmingham, Alabama 35203

May 20, 2010

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