

NEIGHBORHOOD STABILIZATION PROGRAM
APPLICATION FOR RESERVATION OF FUNDS
STATE OF GEORGIA
ACTION PLAN

Jurisdiction(s): Douglas County, Georgia <i>(submitted by): Douglas County, GA</i> Jurisdiction Web Address: http://celebratedouglascounty.com <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Persons: Amy Brumelow, Director Planning and Zoning Department Address: 8700 Hospital Drive Douglasville, GA 30134 Telephone: 678.715.5370 Email: abrumelow@co.douglas.ga.us

THE STATE OF GEORGIA WILL ACCEPT REQUESTS FOR RESERVATION OF FUNDS UNDER TITLE III OF THE HOUSING AND ECONOMIC RECOVERY ACT (HERA) SEC. 2301 ENTITLED “EMERGENCY ASSISTANCE FOR THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES”.

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the applicant’s jurisdiction.

Note: The local jurisdiction must identify the area(s) of greatest need(s) and provide analysis of contributing factors that created the need described.

Response: Douglas County will utilize a two step system for identifying the “Areas of Greatest Need” throughout the county. First, Douglas County will utilize the HUD-developed “Foreclosure and Abandonment Risk Score” data as our primary system for identifying areas of greatest need. Douglas County has already analyzed and aggregated the high risk score block groups and Census Tracts for the entire county. The attached map, Douglas County Estimated Foreclosure and Abandonment Risk, depicts Douglas County’s areas of greatest need based upon the HUD Foreclosure and Abandonment Risk Score data. Thus, Douglas will utilize the HUD data and the Douglas Priority Areas map to assist in targeting Douglas’ NSP grant funds.

Second, Douglas has been obtaining detailed foreclosure information from local and national sources. As additional information is obtained, a map will be created and a much larger list of specific addresses where foreclosures have occurred will be available to Douglas to better pinpoint targeted areas of greatest need.

Douglas County will utilize the “Priority” Area’s data provided by HUD as our first screen in targeting NSP grant funds. Our second screen in targeting will be to utilize our developing list of actual foreclosure sites. These two screens will form the basis of Douglas’ foreclosure acquisition, rehabilitation and sales efforts.

Based upon HUD’s risk score data and Douglas’ local data, the areas of greatest need include (1) Douglasville area, (2) Villa Rica area, (3) Austell area, and (4) other priority unincorporated areas as they are identified.

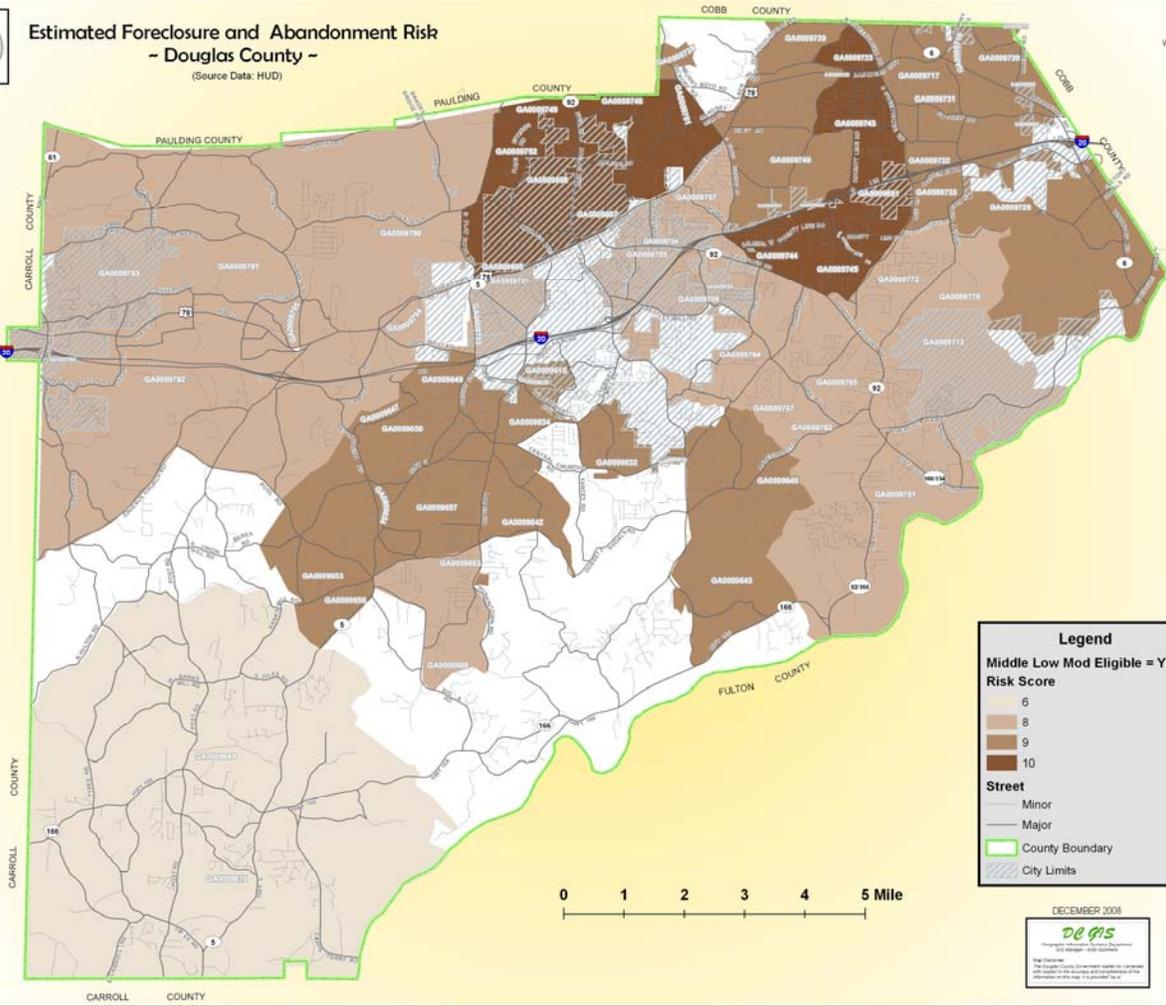
Census Tract	Block Group	Est. foreclosure abandonment risk score
080402	5	6
080402	6	6
080507	5	8
080507	5	8
080302	3	8
080302	5	8
080302	6	8
080601	3	8
080602	1	8
080302	3	8
080302	5	8
080601	4	8
080601	6	8
080601	1	8
080601	2	8
080601	3	8
080601	6	8
080602	1	8
080602	2	8
080401	2	8
080401	3	8
080401	1	8
080401	2	8
080401	3	8
080401	1	8
080401	2	8
080503	5	9
080504	3	9
080503	1	9
080503	4	9
080503	5	9

080504	4	9
080504	3	9
080504	4	9
080505	2	9
080505	1	9
080505	2	9
080506	3	9
080506	4	9
080506	3	9
080506	4	9
080101	1	9
080101	1	9
080101	3	9
080201	4	9
080101	1	9
080101	2	9
080201	2	9
080101	4	9
080101	1	9
080101	2	9
080101	3	9
080101	4	9
080201	1	9
080201	2	9
080201	4	9
080202	5	10
080202	6	10
080301	2	10
080301	1	10
080301	2	10
080202	3	10
080202	3	10
080202	5	10
080202	6	10
080301	1	10
080301	2	10
080301	1	10
080301	2	10



Estimated Foreclosure and Abandonment Risk - Douglas County -

(Source Data: HUD)



Legend

Middle Low Mod Eligible = YES

Risk Score

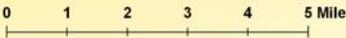
- 6
- 8
- 9
- 10

Street

- Minor
- Major

County Boundary

- City Limits



DECEMBER 2008

deGIS

Programs developed by Douglas County GIS Department
100 Douglas County Government Center
Douglasville, GA 30135
www.douglascountyga.gov

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the applicant's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the applicant as likely to face a significant rise in the rate of home foreclosures. *Note:* The applicant's narrative must address these three stipulated need categories in the NSP statute, but the applicant may also consider other need categories.

Response: As referenced in Section A – “Areas of Greatest Need”, Douglas County will utilize two target screens to ensure that the requirements of Section 2301(c)(2) of HERA are met. The first method will be to distribute funds in the areas identified by the HUD “Foreclosure and Abandonment Risk Score” data. These risk scores have incorporated those areas of Douglas County with the greatest percentage of foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by Douglas County as likely to face a significant rise in the rate of home foreclosures.

In addition, Douglas County is building a database of specific sites where these three stipulated statute need categories actually exist in Douglas County.

Douglas County will partner with a grant sub-recipient and develop a program to target “high priority” areas of need as described in Section A, herein, by employing a two-step foreclosure remediation strategy. An RFP will be issued to determine the sub-recipient.

Douglas County will partner to use private financing with NSP grant funds to facilitate the acquisition, rehabilitation and sale process. The sub-recipient will use funds to acquire and rehabilitate foreclosed properties in accordance with local and state code regulations and HERA guidelines.

Eligible homebuyers (households at or below 120% of AMI) purchasing the redeveloped properties would be eligible for a NSP homebuyer second mortgage of 10-50% of the purchase price of the home (depending on income). In addition, those eligible homebuyers could possibly be placed within a lease-purchase option in order to provide affordability and transition into homeownership.

The proposed NSP homebuyer second mortgage financing would be a deferred repayment, 0% interest rate loan which would be repaid upon sale or transfer of

title of the property. Loan repayments would provide financing for future homebuyers in the county.

Upon sale of the property, the balance of the NSP funding invested for the acquisition and rehabilitation of foreclosed properties but not utilized for homebuyer second mortgage financing would be immediately utilized for other foreclosure redevelopment efforts.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Note: For the purposes of the Georgia NSP the following definition shall apply: Pursuant to O.C.G.A. 22-1-1 "Blighted property," "blighted," or "blight" means any urbanized or developed property which: (A) Presents two or more of the following conditions: (i) Uninhabitable, unsafe, or abandoned structures; (ii) Inadequate provisions for ventilation, light, air, or sanitation; (iii) An imminent harm to life or other property caused by fire, flood, hurricane, tornado, earthquake, storm, or other natural catastrophe respecting which the Governor has declared a state of emergency under state law or has certified the need for disaster assistance under federal law; provided, however, this division shall not apply to property unless the relevant public agency has given notice in writing to the property owner regarding specific harm caused by the property and the owner has failed to take reasonable measures to remedy the harm; (iv) A site identified by the federal Environmental Protection Agency as a Superfund site pursuant to 42 U.S.C. Section 9601, et seq., or environmental contamination to an extent that requires remedial investigation or a feasibility study; (v) Repeated illegal activity on the individual property of which the property owner knew or should have known; or (vi) The maintenance of the property is below state, county, or municipal codes for at least one year after notice of the code violation; and (B) Is conducive to ill health, transmission of disease, infant mortality, or crime in the immediate proximity of the property.

Response: Douglas County will utilize the State of Georgia definition of “Blighted Structure” in House Bill 1313, Section 3, Title 22 of the Official Code of Georgia Annotated as the standard definition for all scenarios.

(2) Definition of “affordable rents.” Applicants may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Note: The State will require the NSP program recipients to follow the HUD regulations as set forth in 24 CFR 92.252.

Response: Douglas County will utilize the 2008 HUD approved HOME Program Rent limits as the standard for the definition of “Affordable Rents: for any and rental housing scenarios.

(3) Describe how the applicant will ensure continued affordability for NSP assisted housing.

Note: The State will require NSP projects to follow the affordability requirements for the HUD HOME program as set forth in 24 CFR 92.252 (2) (2) for rental housing and in 24 CFR 92.254 for homeownership housing, based on the amount of NSP funds provided for each project. All rental housing affordability restrictions will be imposed by deed restrictions. When there is more than one financing source (besides NSP) imposing land use restrictions on a project, the most restrictive requirements will apply to the project.

For homeownership projects, the DCA NSP program loan documents including a subordinate deed to secure debt, loan agreement and/or note will be used to enforce the required period of affordability.

In accordance with HERA, in the case of previously HOME-assisted properties for which affordability restrictions were terminated through foreclosure or deed in lieu of foreclosure, an NSP applicant will be required to reinstate the HOME affordability restrictions for the remaining period of HOME affordability or any more restrictive continuing period of affordability required by any other financing source participating in the NSP project.

Response: Douglas County plans to utilize two methods to ensure “continued affordability” of NSP assisted housing. First, Douglas will utilize a “Recapture Method” as defined by 24 CFR 92.254(5)(ii) through liens on each property to ensure that the homeowner cannot reap a windfall profit. All NSP funds will be recaptured if NSP homeowners should sell their homes before the time period of designated “Continued Affordability” expires. Also, Douglas County is considering a “Shared Equity” provision for each NSP homeowner assisted under the NSP Program. Should Douglas County adopt this provision (in addition to the Recapture Method) homeowners will have less incentive to sell their homes during Douglas’ “Continued Affordability” time period. In other words, with a Recapture or Shared-Equity Provision, Douglas County will have adequate mechanisms in place to keep NSP assisted homes affordable throughout Douglas’ NSP period of affordability and to protect the County’s investment in this program.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Note: At a MINIMUM, NSP rehabilitation activities must meet the following:

- a) Newly constructed or rehabilitation of single or multi-family residential structures being funded using NSP assistance must, at project completion, meet all applicable regulations in accordance with Minimum Standard Georgia Building Codes (<http://www.dca.state.ga.us/development/constructioncodes/programs/codes2.asp>) as well as all locally adopted codes

- b) All requirements of 24 CFR Part 35 as related to lead-based paint shall apply to NSP activities.
- c) All single and/or multifamily residential structures must also meet all federal and state accessibility requirements including but not limited to those associated with the use of federal funds.

Response: All housing rehabilitation will meet the Minimum Standard Georgia Building Codes, as well as requirements related to lead-based paint and federal and state accessibility requirements.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: **\$936,065**.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income. The response must describe the methodology their project will use to ensure that **at least 25%** of NSP funds will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income

Response: Douglas County anticipates the expenditure of 25% of its NSP grant funds on households whose incomes do not exceed 50% of AMI. For Douglas County, this amount is \$936,065 (\$3,744,262*.25).

In an effort to effectively and efficiently utilize Douglas' 25% share of NSP funds, it anticipates that a significant support financial mechanism may be needed to qualify these very low income individuals and families for homeownership first mortgages. The financial mechanisms are as follows:

1. **"Downpayment Assistance" Douglas County will consider both the resources of the NSP and the HOME Program for downpayment assistance.**
2. **"Zero to Low Interest Loans" In addition, Douglas County will consider second mortgages to reduce the sales price either directly or through a sub-recipient to provide zero to low interest financing for the balance of loans on qualified properties to qualified individuals. The proposed NSP homebuyer second mortgage financing would be a deferred payment, 0% interest rate loan which would be repaid upon sale or transfer of title of the property. An eligible NSP homebuyer could get a second mortgage of 10-50% of the purchase price of the home depending on their income.**
3. **"Lease-Purchase" Douglas County will also consider a lease-purchase program in order to facilitate homeownership through a transitional period for those eligible homebuyers below 50% of AMI.**

These three financial mechanisms, Down Payment Assistance, Zero to Low Interest Loans and Lease-Purchase Options, will comprise the primary methods Douglas County will use to purchase and redevelop abandoned or foreclosed homes for housing individuals and families whose incomes do not exceed 50% of AMI.

E. ACQUISITIONS & RELOCATION

Indicate whether applicant intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response: Douglas County does not intend to demolish or convert any low and moderate income dwelling units. Douglas County has such a large number of vacant foreclosed properties that it intends to concentrate on these properties in Douglas' areas of greatest need. Douglas County will only purchase and offer financing mechanisms for vacant foreclosed homes.

There are a total of 50 homes estimated to be made available under the NSP program to low and moderate income families.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: The applicant must agree to the following:

As required by the Housing and Community Development Act, the Georgia Department of Community Affairs has adopted a written Citizen Participation Plan, available on the DCA website at

<http://www.dca.state.ga.us/communities/CDBG/programs/downloads/CDBGForms/CitizenParticipationPlan.pdf>.

Applicants for and recipients of CDBG/NSP funds certify that they will follow this plan that requires that local units of government will provide for and encourage participation in the planning, implementation and assessment of their CDBG/NSP program.

In order to meet these goals, applicants must, at a minimum, meet the following requirements.

1. Hold at least one (1) public hearing in the locality prior to submission of an application to DCA. The purpose of the hearing will be to obtain citizens' views and input in the development of their Neighborhood Stabilization Program (NSP) application. The applicant must furnish information including the estimated amount of funds proposed to be used for each NSP activity.

Note: For joint or regional applications, separate public hearings for each jurisdiction are required. A single public hearing, however, may serve the needs of each jurisdiction, provided that (a) each jurisdiction shares a central location and (b) the hearing is clearly publicized to residents of all applicable jurisdictions. If a single hearing is proposed, please contact DCA for guidance.
2. Notification of the public hearing must be published not less than five (5) calendar days prior to the date of the hearing in the non-legal section of a local newspaper of general circulation or on the jurisdiction's web page.
3. Hearings must be held at times and locations convenient to potential or actual beneficiaries and with accommodations for the disabled. The needs of non-English speaking residents must be met for public hearings where a significant number of non-English speaking residents can be reasonably expected to participate. Contact DCA for any required assistance.
4. Applicant files must contain documentary evidence that the actions listed herein have been taken, including copies of actual notices and minutes of hearings.
5. Citizens must be provided with reasonable and timely access to local meetings, information and records relating to the local government's proposed and actual use of CDBG/NSP funds as required by HUD regulations, state law, or DCA policy.
6. This section should not be construed to restrict the responsibility or authority of the local government for the development and execution of its community development program.
7. The applicant must certify in the Certified Assurances component of the application that the requirements above have been met.

Response: Douglas County performed the following public notifications in accordance with the NSP requirements:

- 1. Advertisement of Public Meeting and application was advertised as shown in the attached document, in the *Douglas County Sentinel*, a local newspaper of general circulation, in the non-legal section.**
- 2. The public Comment period and application were placed on the Douglas County Website for review.**
- 3. Public Comment Meeting held January 7, 2009 at the Douglas County Courthouse, 8700 Hospital Drive, Douglasville, GA 30134. Minutes of the meeting are attached.**

A summary of questions raised at the public meeting are listed below:

- 1. Chris Collier, representing the Westside Homebuilder's Association; Can we reduce the amount of down-payment assistance per home from \$25,000 to \$5000 and use the \$20,000 for rehabilitation?**
- 2. Heather Nutter from United Way of Douglas County; What is the AMI? What is the percentage of homes within the 25% that is underneath the AMI? Can this be used to transition homeless persons into a home?**
- 3. Mark Kerry; Is there a cap on the value of the homes? Is the county going to purchase foreclosed homes with this money?**
- 4. Judge Barbara Caldwell; Who will disburse the funds?**
- 5. Katherine Robinson; Will this money have to be paid back through some type of fee?**

PUBLIC NOTICE

ANNOUNCEMENT FOR PUBLIC HEARING AND INVITATION FOR PUBLIC COMMENT ON THE DOUGLAS COUNTY APPLICATION FOR RESERVATION OF FUNDS UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM.

Douglas County, in compliance with applicable U.S. Department of Housing and Urban Development requirements for Title III, Section 2310 of the Housing and Economic Recovery Act of 2008 (HERA), intends to apply for the Georgia Department of Community Affairs for reservation of funds under the Neighborhood Stabilization Program.

Douglas County will hold a public hearing on January 7, 2009, on the application for reservation of funds under the Neighborhood Stabilization Program. The public hearing will be held at 6:00 pm in Citizen's Hall, Douglas County Courthouse, 8700 Hospital Drive, Douglasville, GA. The purpose of the hearing is to obtain citizen input into the development of the application for reservation of Neighborhood Stabilization Program funds.

The funds will be used to assist the redevelopment of abandoned and foreclosed homes in the targeted area set forth in the application.

Comments on the proposed reservation of funds may be made at the Public Hearing or by writing to the following address:

Neighborhood Stabilization Program
Douglas County Planning and Zoning Director
8700 Hospital Drive
Douglasville, GA 30134

Comments may also be made in writing or by emailing comments to the following email address: planning@co.douglas.ga.us. Comments should be received no later than January 12, 2009.

Persons with special needs relating to handicapped accessibility or foreign language shall contact Tammy Teal prior to January 7, 2009. This person can be located at 8700 Hospital Drive, Douglasville, GA 30134, 770-920-7260, between the hours of 8:00 am - 4:30 pm, Monday through Friday, except holidays. Persons with hearing disabilities may consider using the Georgia Relay Service, at (TDD) 1-800-255-0056 or (Voice) 1-800-255-0135.

Douglas County Public Meeting Minutes

The Douglas County held a Public Comment Meeting regarding the Neighborhood Stabilization Program in Citizens Hall on the second floor of the Douglas County Courthouse 8700 Hospital Drive in Douglasville, Georgia, on Wednesday, January 7, 2009, at 6:00 pm.

The following Staff was present:

Mark Teal, Development Services Director
Tracy Rye, Community Planner
Tammy Teal, Clerk of the Planning & Zoning Board

Also present:

Tom Worthan, Commission Chairman
Kelly Robinson, District 2 Commissioner
Marsha Hampton, City of Douglasville

Mark Teal made a presentation (PowerPoint) regarding the Neighborhood Stabilization Program. The presentation is available on the Douglas County website – www.celebratedouglascounty.com – under the Planning & Zoning Department area.

After Mr. Teal finished the presentation, he opened the meeting to comments/questions from the audience. Following are those comments/questions:

Mr. Chris Collier, Executive Officer Westside Homebuilder's Association

My name is Chris Collier, address 5310 Creek Indian Trail, Douglasville, GA. I am the Executive Office for the Homebuilder's Association – Westside Homebuilder's Association.

First of all I want to commend the County on taking the initiative to accept these funds. I understand several counties, so far, have turned them down and to me that's absolutely ludicrous. I have yet to understand why anyone would turn this down.

We did take a look at the proposed plan as far as what was to be submitted and there were a couple of things that we wanted, as an association, to comment on. The first area was that the current proposal basically says 140 households with \$25,000 per household in the

form of down payment assistance. What we would like to propose is, first of all, that that be reduced from \$25,000 per house to something more in line with 5% of the actual purchase price of the house. The houses, as we have been able to determine, that are selling recently are selling in the \$100,000 to \$125,000 range. If you give away \$25,000 – not given away – but if they get an allowance – or assistance – allowance of \$25,000, you're talking about 20% to 25% possibly of the purchase price of the house. Most people are going to be able to qualify for a loan at 95% and so we propose that you look at 5% and then take the other remaining \$20,000 or so and address a major issue that exists with regard to these homes and this is the condition of these homes. These homes have been neglected over the last three months while they've been in foreclosure - many of them longer than that. In many cases, the families trashed the homes because they were leaving them and they didn't want to leave anything behind and then some of these homes have been broken into. You've had plumbing removed from them, copper removed from them. You've had the appliances removed from them and there needs to be some type of allowance that's put into the program that allows people who are buying these homes to also bring these homes up to a livable standard. The livable standard can be defined by the County – as a member of the Homebuilder's Association, we propose that we look at some type of green standard that also addresses the environmental side and the energy costs and things of that type so that we don't put somebody into a home that's going to have a \$750 utility bill when they could easily have a \$225 utility bill. We're looking at making a recommendation that we stay pretty well within that \$25,000 range but that we take applications that would actually look at the plan to make that home livable and then consider whether it's \$20,000, whether it's \$10,000, or whether it's \$15,000 – but incorporate that in. There's an existing vehicle out in the mortgage industry today called a 203k. A 203k is a program where you get your base mortgage to buy your piece of property and then you get a contract to make improvements on that property, which is in the form of a total package. You buy the home, make those improvements – then you implement the 203 and move forward from there and it funds those improvements and we're suggesting that you consider something very close to a 203 type structure with regard to the program. There's a third piece that we would like to suggest that the County add to that and that's a clearance category of the different categories that they have. And, what we're looking at on the clearance category is the ability for the County to go into homes that are currently condemned or need to be condemned and demolish those homes – using some of the funding from this. Our estimate is it would probably cost around \$4,000 to \$5,000 per home to demolish it. But, I know that even between my house and the Courthouse there's several homes on the side of the road that have been vacant that I'm sure vagrants are in and out of all the time and one of the reasons that they still exist is because there's no funding possibly to do that. I think that this falls underneath the intent of this category. Basically, in the way that I've tried to propose this, it maximizes this stimulus impact of these dollars – this \$3.7 million coming into our community. Instead of just taking a person, giving them \$25,000 and putting them into a house and structuring them program to allow them to qualify – if we look back and we use these second and third programs that I was suggesting, we're looking at creating jobs within the homebuilding industry right now which is dying in Douglas County – we had 3 permits pulled last month. We have people who are unemployed, we have people who filed bankruptcy, and we have people who have had

foreclosures against them. If we look at this and try to expand this and give an opportunity for builders and remodelers to come back in and fix these homes up and make them livable, that's something for the economy of our County and it puts cash back into the pockets of everyone within our County. The second thing is if we look at doing this same remodeling program, we're going to raise the quality of housing that we're allowing these people to move into. We allow them to move into sub-standard, we're going to be in a situation that we actually have not improved in many cases their current existing lifestyle – and, I believe that is all that I had to say on it.

I appreciate the opportunity to address this and if there's anything that the homebuilding industry can do to assist, we will be glad to in anyway. Thank you very much.

Heather Nutter
United Way

My name is Heather Nutter and I'm with United Way in Douglas County. I just had a question, really, about the information. The AMI – what is that? I know what it is – but, what's the amount? Secondary to that question, I guess – so you don't know – secondary to that question is do we have any idea what the percentage of homes within the 25% that you mentioned for AMI – so there was the 25% that have to be met that's underneath a certain bracket, right? That was about \$900,000 and then there was \$2.1 million being proposed on the ones that were 81% to 150% of the AMI, do we have any idea what the rate of foreclosure on homes within those two brackets are? Does that make sense? I guess the crux of the question is that we're proposing to spend \$2.1 million into a high-end, it seems to me like high-end homes. I guess that's my question, I wanted to understand what the . . .

Judy Betts
Prudential Georgia Realty

My name is Judy Betts. I am agent with Prudential Georgia Realty. I had pulled reports off of our MLS system about the houses that have sold in the last couple of months in our County and under the MLS information 1009 houses sold in the last months. 300 of those houses were sold at less than \$100,000. I have, for the last month and a half, been looking at foreclosures in that price range - \$100,000 and down. Most of them are not habitable, at all. So it's really important how this money is allocated – that funds go. . . I don't know if you give \$25,000 to a person to purchase a house and they do that to discount their house – these houses are not even livable. We need to bring the quality of the houses – it's really important to bring the quality of the houses back up to a standard of living that would go along with the neighborhood that they are in. There are a lot of

houses out there that need to be demolished. I don't think that we can spend the money that it would take to fix them up and they would even be worth what is in them. A lot of them have had everything removable taken out of them. Everything. A lot of them are shells.

Mark Kerry

My name is Mark Kerry, Plantation Drive, Douglasville. I've got a couple of questions. Under this program is there a cap on the gross value of the house, the homes \$150,00 and below, \$200,000 . . .? Or is it all income driven? I wasn't clear, is the County – you mentioned that the County personnel is currently identifying properties – can I assume that this is driven under the normal kind of real estate transaction as they today? In other words, somebody sees a house that's been foreclosed on or whatever – bank owned and that's what will initiate someone participating in this program? Or is this a situation where the County's going to go out and say here's four houses on these three streets that have been foreclosed for longer than 6 months – maybe these are the houses that we should . . . We're talking about the County taking ownership of properties? What will be advertised? But the way I understand it works today is that a prospective homeowner today, goes with a realtor and finds out if they qualify for example - the Georgia Dream program – which is an assistance program. If you live in DeKalb County, you can get a \$5,000 additional assistance. Which, I think, that is what this program is – I'm not sure. But it's all driven from the consumer to go through real estate offices to go look at a house, to make sure they qualify, talk to a mortgage company, got the right scores, got the right criteria to then apply for this money. Is that what we're talking about? Or is the County going to tag houses and saying we're going to buy these foreclosures? Those rules – we should be able to get from DCA or how would they work in other counties today? Those particular rules of how the functions . . . So the primary focus is from the consumer to purchase a home and get this assistance from a pool of money.

Judge Barbara Caldwell

Barbara Caldwell, Douglasville. I understand that the application is to be submitted . . . The citizen, the person that will be receiving money? Who is going to disburse the funds? All right, I am concerned about . . .you're talking about the AMI, do you have an extended application or difficult one, you're going to discourage a lot of people that really need this money. So, I think we need to take that into consideration.

Mike Miller
Cobb Housing

Explained similar procedures with other federal housing assistance programs.

Katherine Robinson

Did you say this was essentially free money, but eventually will have to be paid back. I know with some home programs they attach a management fee or some type of fee is attached to the mortgage itself to pay the program back. Are we going to do the same thing so that the money can come back?

Heather Nutter
United Way

I have one more question. I understand that you're saying individuals – or individuals that are purchasing homes. Is there a possibility that it can be extended to programs - say like a homeless programs that is trying to transition individuals into housing? Is that a possibility or is this strictly for individuals? Is Douglas County looking at that as a possibility or is Douglas County wanting to keep it specifically for individuals?

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Douglas County NSP Foreclosure Financial Mechanisms**

(2) Activity Type: **A. NSP Eligible Use: Establish financial mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties which includes downpayment assistance, 0% second mortgages and lease-purchase options (HERA, Sect. 2301(c)(3)(A)).**

(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). **100% low, moderate and middle income persons**

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Response: Douglas' NSP Program will be structured to meet all NSP statutory and regulatory requirements. The financial mechanism activities of Douglas' NSP Acquisition Program will serve the county's targeted Priority Areas which conform with HUDs Foreclosure and Abandonment Risk Scores and Douglas' locally developed site specific home foreclosure lists.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Reponse: Douglas County will utilize its NSP Grant funds in these areas of greatest need which include (1) Douglasville area, (2) Villa Rica area, (3) Austell area, and (4) other priority unincorporated areas as they are identified.

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Performance Measures:

1. 50% or Under	13 units
2. 51%-80%	10 units
3. 81%-120%	27 units

(7) Total Budget: (Include public and private components)

Acquisition

(a) **Total NSP Grant Funds** \$3,744,262

(b) **Administration Funds** \$ 224,655

(for entire program)

(c) **Break-out of Acquisition Funds**

(1) **50% or under AMI** \$ 936,065

(2) **51%-80% of AMI** \$ 748,852

(3) **81%-120% of AMI** \$1,834,688

Douglas County will accept and utilize under the parameters of this proposal any additional funds issued due to any re-allocation of funds that may become available.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Douglas County Planning and Zoning Department

8700 Hospital Drive

Douglasville, GA 30134

Contact: Amy Brumelow, Planning and Zoning Director

**** Anticipate that there will be a sub-recipient and administrator of this program**

(9) Projected Start Date: **February 1, 2009 or whenever HUD NSP Grant Agreement is executed by Douglas County**

(10) Projected End Date: **January 31, 2013**

(11) Specific Activity Requirements:

For acquisition activities, include:

- Discount rate: **Douglas County will meet HUDs NSP minimum discount rates in all foreclosed properties acquired. Douglas County will ensure that the sub-recipient obtain a minimum discount of 15% on all property acquired.**

For financing activities, include:

- Range of interest rates: **Douglas County will utilize a no-interest, non-forgiveable Deferred Payment Loan for the entire affordability time period. If a homebuyer sells the home during the affordability time period, the entire downpayment assistance loan will be returned to the Douglas County NSP Program.**

For housing related activities, include:

- Duration or term of assistance: **Duration or Term of Assistance will be for a Douglas County determined period of affordability (15-20 years) for each home purchased by an eligible NSP homebuyer. The NSP funds will be used to acquire foreclosed properties in Douglas' Priority Areas (areas of greatest**

need). **Liens will be placed on all sales properties to enforce the terms of Douglas County's affordability time period.**

- Tenure of beneficiaries--Homeownership; **Tenure will be homeownership.**
- A description of how the design of the activity will ensure continued affordability: **The design will utilize a Recapture Method and/or a Shared-Equity method to ensure continued affordability.**

H. Complete a budget summary for each activity including source(s) of funds and use(s) for each activity proposed in Section G. See the guidance below for the preparation of DCA NSP Form H.

The purpose of this form is to allow applicants to describe, in detail, the resources available, or to be made available, for each activity. Applicants are encouraged to provide sufficient quantifiable data and to describe supporting efforts for the proposed program. Form DCA NSP Form H should be backed-up by credible estimates of program cost prepared by individuals and agencies qualified to provide them.

Leverage may be cash or in-kind services. Its source may be local public funds, other state or federal funds, or private investments or contributions. Whatever the source, it must be evidenced by a firm written commitment in order to demonstrate a proposed program's readiness to proceed.

◆ **Line item instructions**

- ✓ In **column 1**, list the NSP eligible use using the uses found in the HERA statute at Title III, 2301(c) and at the federal register at FR-5255-N-01. Rather than stating each use in its entirety, please use the appropriate letter found in the law and the federal register. For example, use the letter (D) to indicate the use as "Demolish Blighted Structures."
- ✓ In **column 2**, list the activity name and number. See the note on the activity numbering system below.
- ✓ In **column 3**, briefly itemize NSP funds allocated for each activity. These brief summaries can reference additional detail that may be included in reports and attached to the application. The purpose of this form is to allow a review panel to compare unit costs. Be sure to provide units and costs (i.e., "construct 5,000 SF health center @ \$75 SF -- total cost: \$375,000).

Total engineering and architectural costs must be itemized here and shown in columns 3 through 6.

Housing applications including rehabilitation activities for units constructed prior to 1978 should budget an additional 25% of the total estimated rehabilitation cost to fund compliance with lead-based paint

regulations.

Sufficient detail should be provided in this column to support proposed engineering and inspection fees. Such data should include detail on proposed services, as well as estimated fees for design services, conferences, travel, resident and periodic inspections, tests, surveys, printing and reproduction, additional services, etc.

- ✓ In **column 4** reference the NSP cost, if any, for each item shown in column 2. If the item in column 2 will not be paid for with NSP funds, indicate by placing a -0- in column 4.
- ✓ In **column 5** show the amount of "other funds" (not NSP) that will be used to pay for itemized costs. The source of these funds should be identified on **column 6**.
- ✓ In **column 7**, enter the total amount of funds available to carry out the proposed activity. On each page of *DCA NSP Form H* use **block 8** to subtotal columns 3, 4 and 5. On the final page, use **block 9** to total all pages.
- ✓ Attach clear commitments from the appropriate agencies.

◆ **Note on Activity Numbering System**

The activity number is used in this application on the *DCA NSP Form H*. In all instances, the activity should be referred to both by the activity number and activity name, as explained further below. In addition, all activities must be eligible as listed in the federal register at FR-5255-N-01.

The activity number system has two components:

- The prefixes indicate the purpose of the activity as follows:
 - A = Administration
 - E = Economic Development
 - H = Housing
 - P = Public Facility
 - T = Engineering
 - S = Architecture
- The second component is the budget code. The codes can be found below. Every code is comprised of three (3) alpha or numeric characters followed by a hyphen and then two (2) additional numeric characters. This code indicates the type of activity.

For example:

- P-001-00 = Acquisition of Property for a Public Facility
- H-001-00 = Acquisition of Property for Housing
- A-21A-00 = Grant Administration

Budget Codes

001-00 Acquisition of Property (all acquisitions)	03K-01 Street Improvements
002-00 Disposition of Property	03J-01 Water Facilities
003-00 Public Facilities and Improvements (other)	03J-02 Sewer Facilities
003-01 Domestic Violence Shelter	03L-00 Pedestrian Walkways
003-02 Group Home	03K-02 Flood and Drainage Facilities
003-03 Learning Center	03S-00 Facilities for AIDS Patients (not operating)
03A-00 Senior Centers	004-00 Clearance
03B-00 Centers for the Disabled/Handicapped	005-01 Public Services (General)
03C-00 Homeless Facilities (not operating costs)	008-00 Relocation Payments and Assistance
03D-01 Boys and Girls Club or other At Risk Facility	009-00 Payments for Loss of Rental Income
03D-02 Youth Shelter	14C-00 Rehabilitation of Public Residential Structures
03E-00 Neighborhood Facilities	14A-01 Rehabilitation of Private Properties
03G-00 Parking Facilities	015-00 Code Enforcement
03M-01 Child Care Center	14A-02 Reconstruction of Private Properties
03M-02 Head Start Center	003-05 Site Development
03P-01 Health Center - Mental	012-00 Housing – Construction
03P-02 Health Center – Physical	005-02 Homebuyer Education
03P-03 Health Center - Mental and Physical	013-00 Down payment/Closing Cost Assistance
03Q-00 Abused and Neglected Children's Facilities	X00-00 Other - General (Attach Description)
03F-00 Parks, Playgrounds and other Rec. Facilities	020-00 Planning
003-04 Public Utilities, other than Water & Sewer Fac.	21A-00 Administration (General)

The following is an example of how *DCA NSP Form H* may be completed:

<u>1</u> <u>NSP</u> <u>Eligible</u> <u>Use</u>	<u>2</u> <u>Activity</u> <u>Name/Number</u>	<u>3</u> <u>Itemized Unit</u> <u>Costs</u>	<u>4</u> <u>NSP</u> <u>Funds</u>	<u>5</u> <u>Other</u> <u>Funds</u>	<u>6</u> <u>Source of</u> <u>Other</u> <u>Funds</u>	<u>7</u> <u>Total Cost</u>
(A)	Down payment Assistance/H-013-00	20 homebuyers assisted at \$10,000 a unit	\$200,000	\$1,800,000	ABC Bank	\$2,000,000
(B)	Acquisition/H-001-00	Purchase 20 residential REO properties for an average of \$50,000 each	\$1,000,000	\$0	N/A	\$1,000,000
(B)	Housing Rehabilitation/H-14A-01	Rehabilitate 20 residential properties at \$50,000 each	\$1,000,000	\$0	N/A	\$1,000,000
(D)	Clearance/H-004-00	Demolish 10 dilapidated structures in the target area at the cost of \$4,000 per unit	\$40,000	\$0	N/A	\$40,000
(E)	Group Home/H-003-02	Develop vacant property to assist with neighborhood stabilization at total cost of \$100 per square foot for 5,000 square foot facility	\$100,000	\$400,000	CDBG Entitlement Funds	\$500,000
	Administration/H-21A-00		\$60,000			
	Totals		\$2,400,000	\$2,200,000		\$4,600,000

**Georgia Department of Community Affairs
NSP Program
Budget Analysis**

Applicant: Douglas County

Original: Amendment dated: _____

1 NSP Eligible Use	2 Activity Name/Number	3 Itemized Unit Costs	4 NSP Funds	5 Other Funds	6 Source of Other Funds	7 Total Cost
(A)	Down payment Assistance/H- 013-00	Rehabilitation, Second Mortgage, Down Pmt Assistance, Lease Purchase	3,519,607	@ \$3,519,607	Non-Profit Sub- Recipient	\$7,039,214
	Administration /H-21A-00	\$224,655	\$224,655	\$0	N/A	\$224,655
8 Subtotal		_____	<u>\$3,744,262</u>	<u>\$3,519,607</u>		<u>\$7,263,869</u>
9 Grand Total (if final page)		\$ _____	<u>\$3,744,262</u>	<u>\$3,519,607</u>		<u>\$7,263,869</u>

Check here if continued on additional pages: _____

Page 1 of 1

DCA NSP Form

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD (for HUD Entitlement jurisdictions) or the State of Georgia (for non-entitlement communities).
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with NEPA.** The jurisdiction will comply with the National Environmental Policies Act of 1969 (NEPA) and HUD regulations implementing NEPA titled “Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities” (24 CFR Part 58).

(16) **Compliance with laws.** The jurisdiction will comply with applicable laws and regulations.

Signature/Authorized Official

Date

Title

Resources

The following are resources that may be helpful in development of your NSP Action Plan:

1. DCA: <http://www.dca.state.ga.us/>
Questions regarding action plan: nsp.questions@dca.ga.gov
2. HUD: <http://www.hud.gov/nsp>
3. Dataplace: <http://www.dataplace.org>
4. ICF Consulting: ICF set up a special NSP Web site to highlight current thinking, useful tools, and relevant background materials related to the NSP:
<http://www.icfi.com/nsp>
5. Home Depot: <http://www.homedepot.com/gov>
6. HousingPolicy.org: Resources on preventing foreclosures & stabilizing communities -- www.housingpolicy.org/foreclosure-response.html
<<http://app.bronto.com/public/?q=ulink&fn=Link&ssid=619&id=bh3ohfqr53cr7farpz3dhib1zxlz&id2=k1nbz4ed58g09mov22wzb95yq81dd>
7. PEMCO, Ltd., the M & M contractor for HUD in Georgia. This website contains important information regarding the purchase of HUD homes in Georgia and maintains a database to search available properties.
<http://www.hudpemco.com>
8. The following website allows you to locate revitalization areas. You can search by city, county, zip code or property address.
<http://www.hud.gov/offices/hsg/sfh/revite/abtrevt.cfm>
9. This link provides a list of HUD-approved housing counseling agencies located in the state of Georgia:
<http://www.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=GA>
10. This link outlines the steps for becoming a HUD-approved housing counseling agency:
<http://www.hud.gov/offices/hsg/sfh/hcc/hccprof13.cfm>