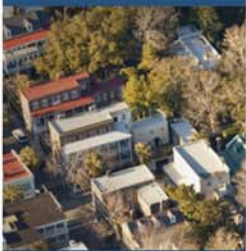




NSP3 Substantial Amendment to the **2008-2012 Consolidated Plan, including** **the 2010 Annual Action Plan**

Prepared by the DeKalb County, Georgia
Community Development Department



DeKalb County, Georgia CEO and Board of Commissioners



Elaine Boyer District 1



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NSP3 ACTION PLAN

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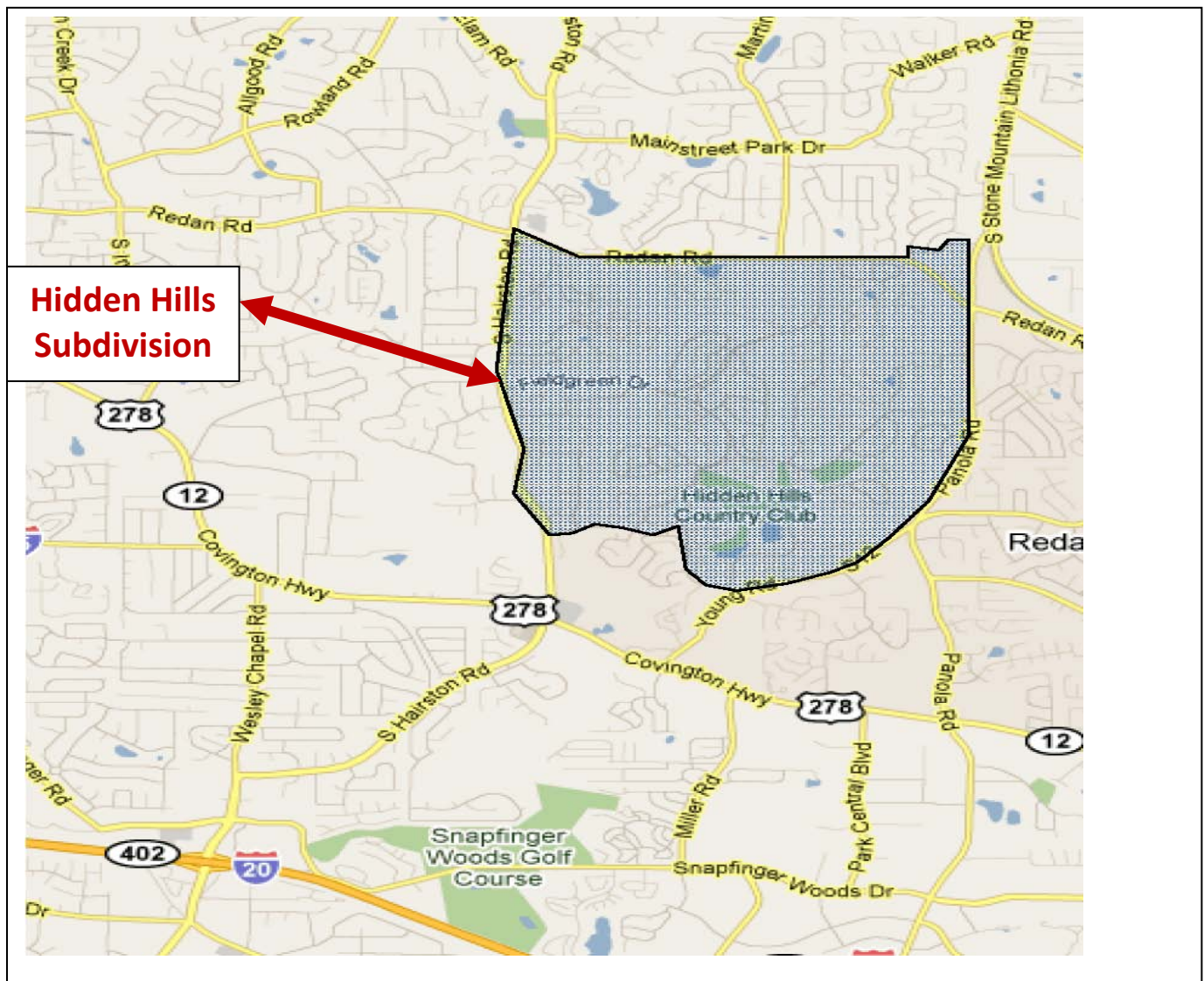
1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Chris Morris or Allen Mitchell
Email Address	chmorris@dekalbcountyga.gov - - amitchell@dekalbcountyga.gov
Phone Number	(404) 286-3308 or (404)-286-3351
Mailing Address	150 E. Ponce de Leon Ave., Suite 330, Decatur, GA 30030

2. Areas of Greatest Need

Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as an attachment. The map displayed below is a high level summary map of the "Target Area", Hidden Hills Subdivision, Stone Mountain, Georgia.



Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.

In order to develop an effective strategy for NSP3, DeKalb County partnered with Emory University, Dr. Michael Rich, to prepare a local market analysis. We familiarized ourselves with the NSP3 mapping tool, utilized existing information, worked with other County departments and coordinated with local stockholders and partners. The chart below identifies the market data indicators and data sources used.

Indicator	Derivation
REO properties	Estimate from statewide REO totals (or foreclosure starts) based on each block group's share of a state's estimated number of seriously delinquent loans
Seriously delinquent loans	Estimate based on rate of seriously delinquent loans times the number of mortgages made between 2004 and 2007. Block group estimates derived from census tract estimates.
USPS vacancies	Estimate based on census tract count of vacancies assigned to block groups based on block group's share of tract's estimated housing units, 2007
High cost mortgages	Census tract level rate assigned to block group- No variation across block groups in the same census tract

Constructed a Composite Need Index to Better Capture Variations in Foreclosure Data Across DeKalb County Neighborhoods:

Five dimensions of Data and need :

1. Characteristics of the Population
 2. General Market Conditions
 3. Foreclosure Risk
 4. Foreclosures
 5. Blight and Abandonment
- **Level, Concentration, and Trend**
 - **Use of neighborhood-level data wherever possible**

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

The areas of greatest need were established after careful and intense consideration and assessment of the experience with NSP1, the outstanding needs in the community, input from the community, and the results of the local market analysis. A critical factor impacting how we would meet the requirement of utilizing 25% of the funds for 50% AMI is the large number of multi-family apartment complexes that exist in DeKalb and the number of units that have been foreclosed upon, blighted, and/or abandoned.

Calculating Composite Need Index:

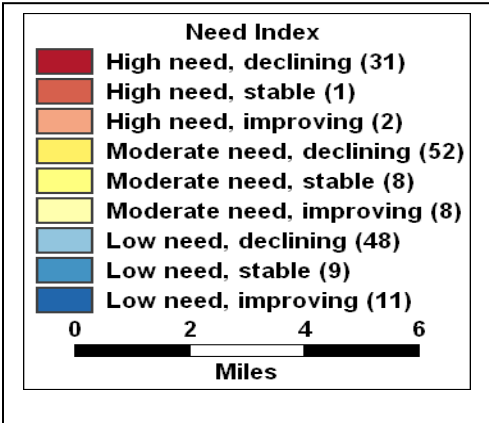
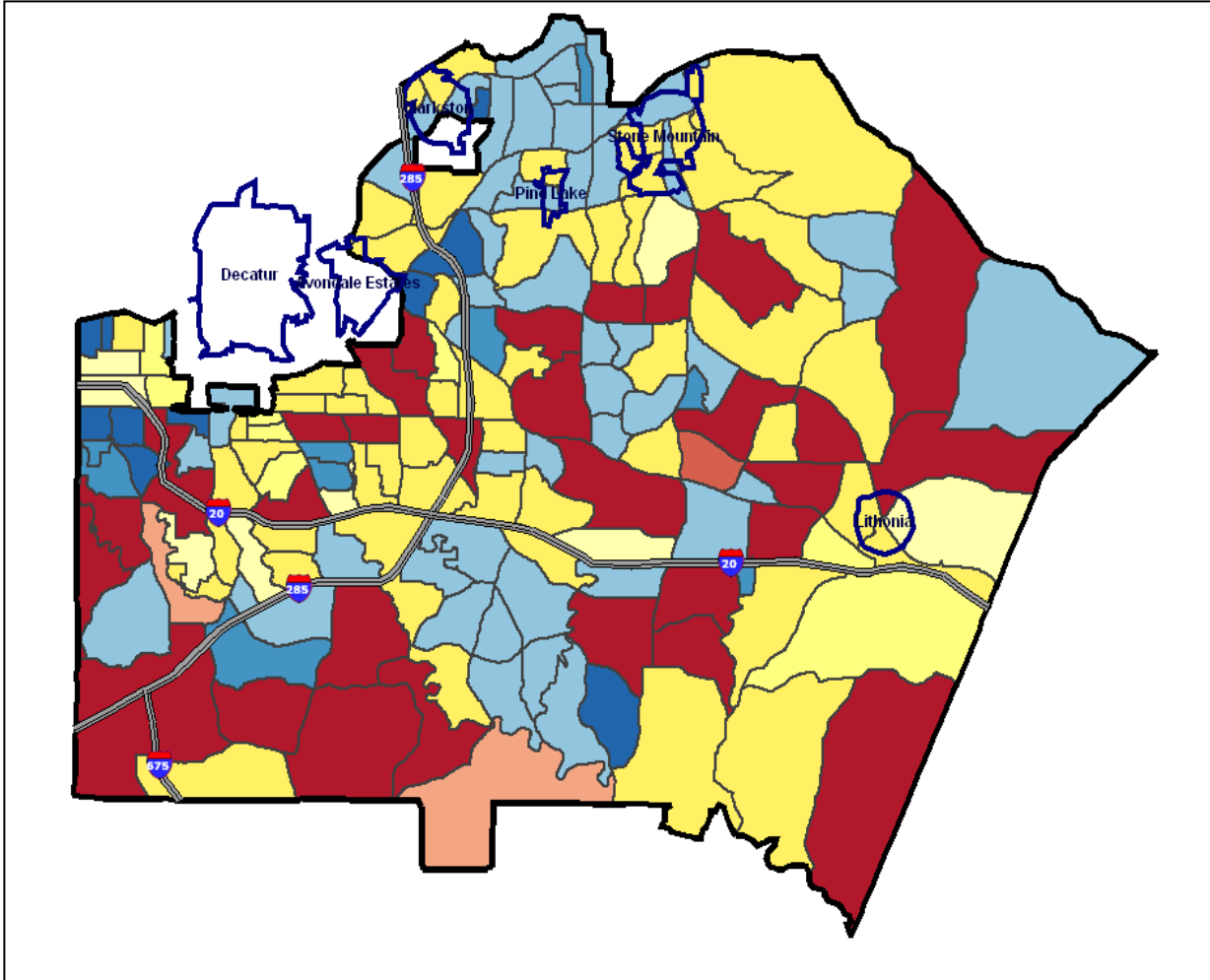
1. **Combined standardized scores for each need dimension**
 1. Population Characteristics
 2. General Market Conditions
 3. Foreclosure Risk
 4. Foreclosures
 5. Blight and Abandonment

2. **Rank block groups on composite score; group into quintiles**
3. **Determine Direction of Neighborhood Change**
 - Food Stamps
 - Property Sales
 - Ratio Median Block Group Sales Price to County Median Sales Price
 - Foreclosures
 - Crime
4. **Combined quintile rank and direction of change into composite need index score**

Composite Need Index Charts Allow for Greater Differentiation Among Eligible Census Block Groups:

The next two graphs show a clearer prospective of the “areas of greatest need” with the HUD Foreclosure Need Score Chart (Chart 2B) providing less clarity, whereas the Emory University created “Composite Need Index Chart (Chart 2A) showing considerably more clarity and facilitates greater decision making to ultimately selecting a focused “Target Area.”

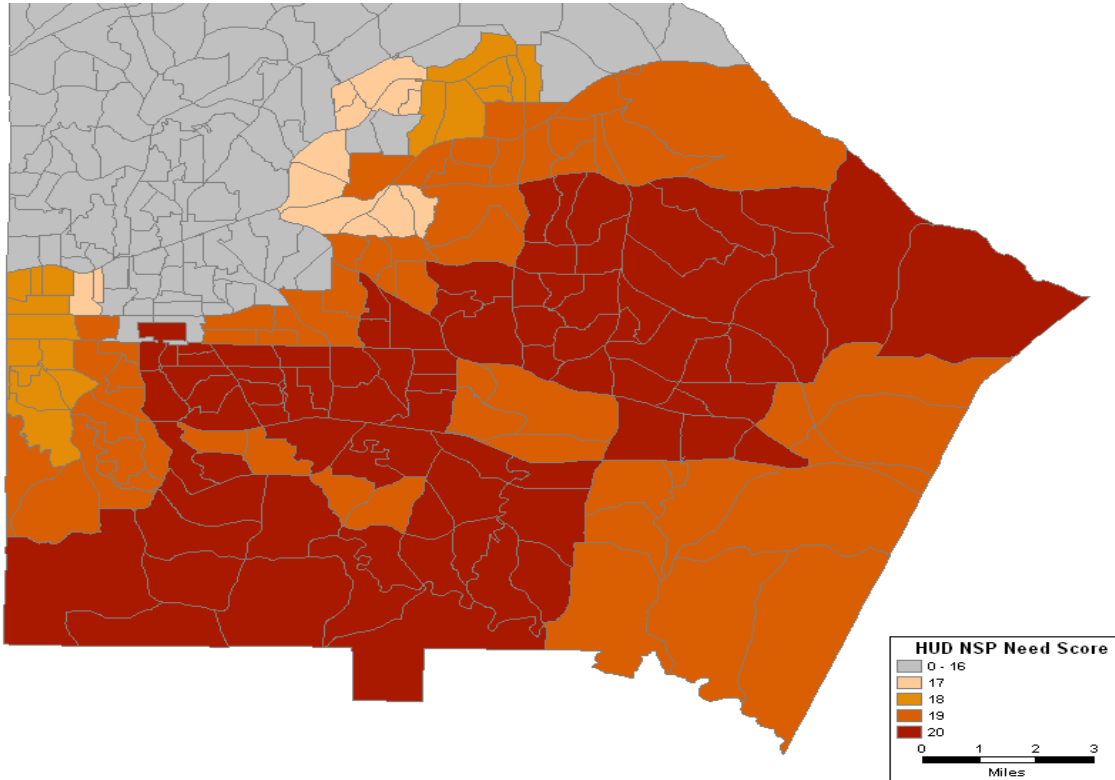
Composite Need Index
NSP3 HUD Need Scores of 18, 19, & 20
Chart 2A



HUD Foreclosure Need Score

18, 19, & 20

Chart 2B



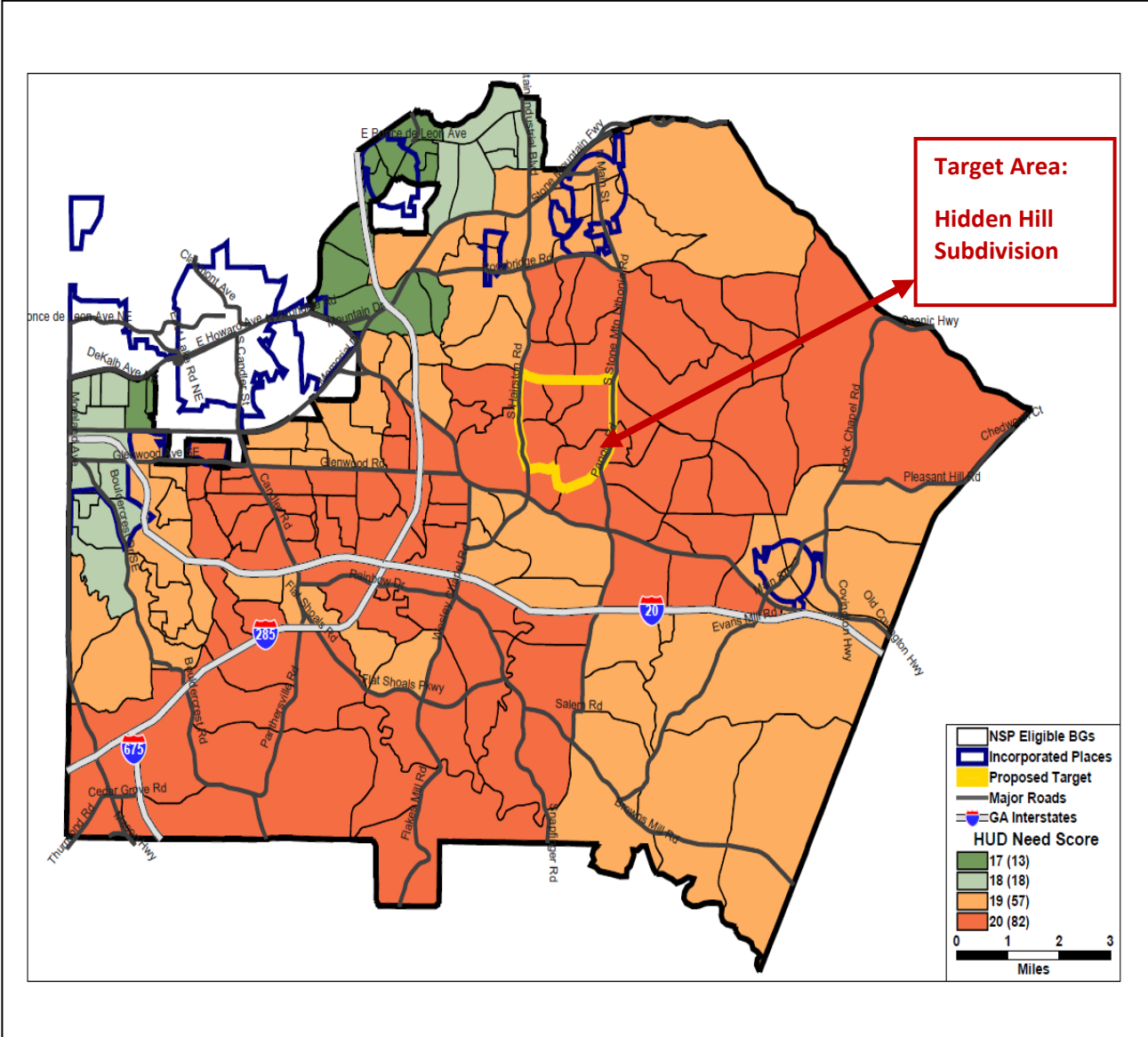
The “Next Steps” required a review of:

- Neighborhood context
- Neighborhood assets and amenities
- Civic engagements
- Related Public investments
- Assess feasible impacts

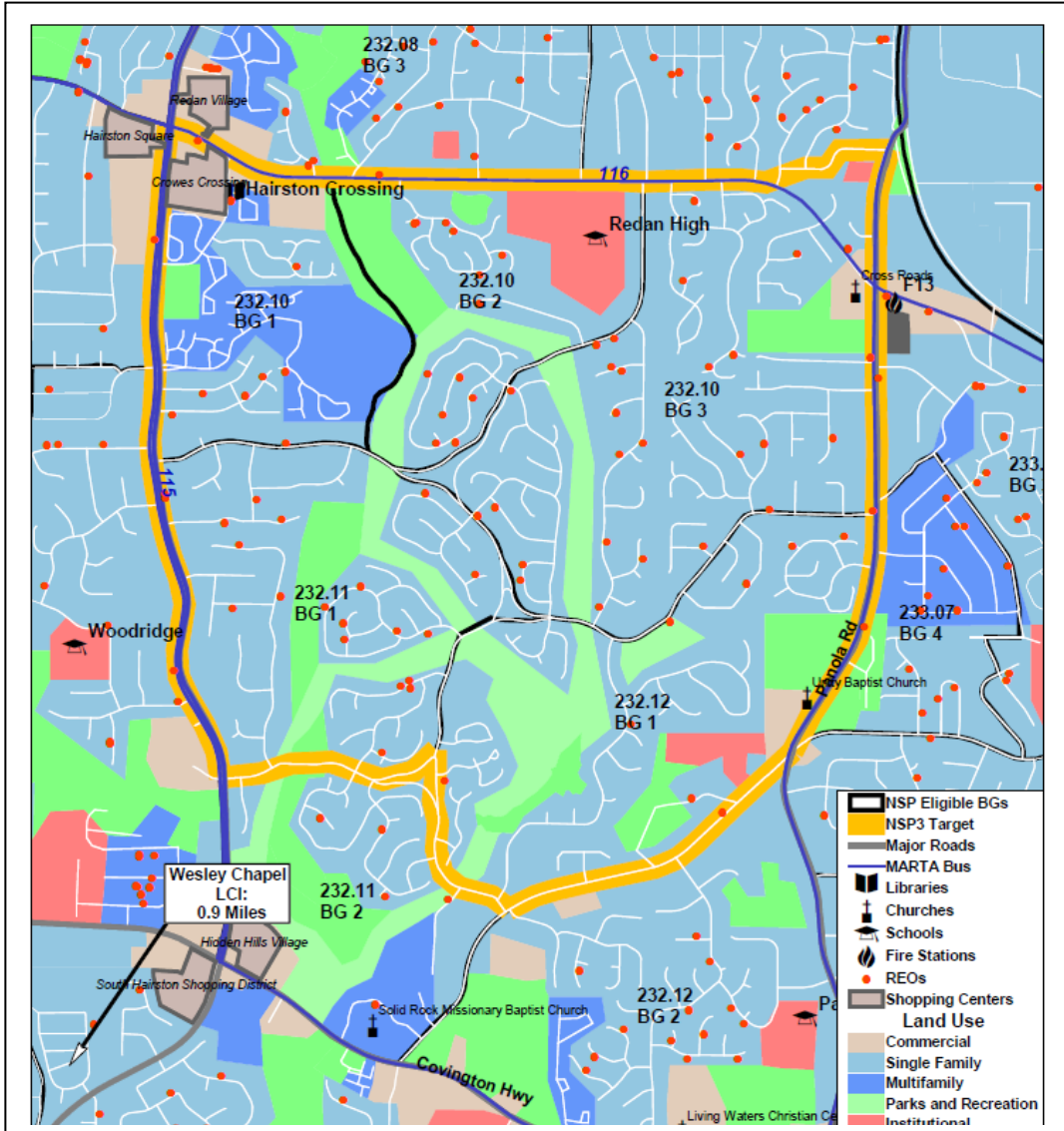
Target Area Recommendation:
Hidden Hills Neighborhood Area, Stone Mountain, GA



NSP3 Eligible Block Groups: HUD Need Score



Proposed NSP3 Target Area
Hidden Hill Subdivision



Census Block Groups: 232.12 – BG1; 232.11 - BG1; 232.10 – BG1;
 232.10 – BG3; 232.10 – BG2

3. Definitions and Descriptions

Term	Definition
Blighted Structure	<p>The local code defines a blighted structure as:</p> <ol style="list-style-type: none"><li data-bbox="513 415 1432 552">1. An abandoned or vacant structure that constitutes a hazard to the health or safety of persons who may come on or near the property on which the structure is located and which is not fenced in or otherwise protected to reasonable prohibit public access thereto.<li data-bbox="513 594 1432 762">2. A structure that is severely damaged by fire, storm or other natural or manmade causes which has remained in such damaged condition for a period of six (6) months or more and which constitutes a hazard to the health or safety of persons who may come on or near the property on which it is located.<li data-bbox="513 804 1432 951">3. A structure that is in a condition of being partially constructed and construction thereon has ceased for a period of twelve (12) months or more and which constitutes a hazard to the health or safety of persons who may come on or near the property on which it is located.<li data-bbox="513 993 1432 1077">4. Any combination of the foregoing that would constitute a hazard to the safety and welfare of any person living on property located adjacent thereto.

Affordable Rents	<p>The County will use the HOME Program Rents including the 30% Area Median Income Rents (AMI) published annually by HUD as the affordable rents for DeKalb County. Based on the needs documented by our Continuum of Care, we will develop a process to use the 30% Area Median Income Rents for no more than 10% of the units in a multifamily project. This number may increase if the project receives Project Based Rental Assistance. The County will work with the DeKalb Housing Authority to seek rental assistance.</p>				
	Metro Atlanta/DeKalb	Efficiency	1 BR	2BR	3BR
	Low HOME rent	\$622	\$667	\$801	\$925
	High HOME rent	\$684	\$741	\$824	\$1,003
	Fair market rent	\$684	\$741	\$824	\$1,003
	50% rent limit	\$622	\$667	\$801	\$925
	65% rent limit	\$790	\$848	\$1,019	\$1,170

Descriptions

Term	Definition
Long-Term Affordability	<p>The County will adopt a dual focused approach to ensure continued affordability for NSP assisted housing:</p> <ul style="list-style-type: none"> • Affordability at the citizen level in the use of housing obtained with NSP Funds. • Monitoring of HOME regulation requirements to maintain long term affordability. <p>Steps to ensure this affordability are:</p> <p>Affordability at the citizen level</p> <p><u>Acquisition & Sale</u></p> <ul style="list-style-type: none"> • Purchase all property at the lowest possible price. • Negotiate with FHA, VA, Fannie Mae, Freddie Mac, and other lenders willing to work with the County, to purchase property at the best possible price. • In selecting property, give priority to property that requires less extensive rehabilitation, while remaining cognizant of the neighborhood stabilization goal. • Ensure that the mortgage amount does not exceed 2.5 - 3 times the purchaser's annual gross income. • Sell property for an amount less than the total NSP investment. The amount will be determined based on the neighborhood. We need to

remain cognizant of the goals of affordability and stabilization. Prior to NSP implementation, the County will engage subject matter experts to assist in developing policies and guidelines in this process.

- To avoid decreasing neighborhood value and maintain affordable mortgage payments, provide second mortgages to cover the difference between the appraised value and the buyer's first mortgage. The purchaser must qualify for a mortgage amount equal to 80% of the appraised value. Prior to NSP implementation and no later than January 31, 2009, the County will engage subject matter experts to assist in refining policies and guidelines in this process.

Buyer Selection

- Give priority to buyers qualifying under the County's Workforce Housing definition. This definition includes public and private sector employees whose incomes are between 61% and 120% of the County's median family income. (Note that the ordinance states 125% but NSP has a cap of 120% of median family income.)
- Require eight (8) hours of mandatory homeownership and financial management training. At least two (2) hours of the eight (8) hours will be one-on-one face to face counseling. The curriculum of the Housing Choice Voucher Program should be reviewed.
- Prequalify all individuals as required by NSP regulations.
- Examine consumers' debt to income ratio and ensure that buyers do not have excessive debt. Prior to NSP implementation, the County will engage subject matter experts to assist in refining policies and guidelines in this process.
- We will consult with HUD approved counseling agencies to finalize the requirements.

Resale & Recapture

If circumstances require the sale of NSP assisted property, the County will ensure that buyers retain at least a portion of their investment (if net revenues exist) while maintaining affordability. To preserve affordability of NSP assisted property, the County may place resale or recapture restrictions on property acquired with NSP funds. During the NSP implementation phase, the County will establish policy and guidelines governing the deployment of these options. Affordability periods, as shown in 24 CFR 92.254 will apply to NSP assisted property.

The County may acquire NSP assisted property that is in jeopardy of foreclosure through right of first refusal or other preemptive right before

foreclosure, acquire the housing at the foreclosure sale, undertake necessary rehabilitation, and provide assistance to another buyer, in accordance with the HOME guidelines shown in 24 CFR 92.254 (a)(ii)(9).

Rental

The County will use the HOME Program Rents including the 30% Area Median Income Rents (AMI) published annually by HUD as the affordable rents for DeKalb County. Based on our Continuum of Care we will develop a process to use the 30% Area Median Income Rents for no more than 10% of the units in a multifamily project. This number may increase if the project receives Project Based Rental Assistance. The County will work with the DeKalb Housing Authority to seek rental assistance. Additionally, households between 80% and 120% AMI will pay 30% of their adjusted income for rent and utilities. Their rent may not exceed the market rent for comparable, unassisted units in the neighborhood.

Affordability through Monitoring HOME Regulation Requirements

The County will adopt the HOME regulations specified in the 24 CFR 92.252 and other HOME regulations as determined by the Community Development Director as the minimum program standards. The County has extensive HOME program monitoring experience. The monitoring methodology that we will implement for NSP funds used is documented in our 2008 – 2012 Consolidated Plan. NSP assisted units must satisfy the affordability requirements for not less than the applicable period specified in the chart below. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. Affordability period will be imposed by deed restrictions and covenants.

Affordability Period Table for Homeownership

Homeownership Assistance HOME Amount Per Unit	Minimum Period Of Affordability In Years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

Affordability Period Table for Rental Housing	
Rental Housing Activity	Minimum Period Of Affordability In Years
Rehabilitation or acquisition of existing housing per unit of Home funds under \$15,000	5
\$15,000 - \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New Construction or acquisition of newly constructed housing	20
Housing Rehabilitation Standards	The DeKalb County local codes will determine the minimum housing rehabilitation standards for NSP assisted activities. However, The County may exceed those standards, depending upon the age and condition of the property. (See Appendix, "Standard Specifications For Residential Rehabilitation").

4. Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response:

Total low-income set-aside **percentage** (must be no less than 25 percent): **25.00%**

Total funds set aside for low-income individuals = \$1,308,276

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

DeKalb will appropriate at least 25% of the NSP funds (\$1,308,276) and any received Program Income to assist individuals and families whose incomes do not exceed 50 percent of area median income. The

project initiatives and activities will be ancillary to our DeKalb County Homeless Continuum of Care (COC) Plans. Our Homeless Advisory Council and community leaders have previously documented the various gaps in our COC. Of special note is our focus on women with children, veterans, and at-risk homeless families in hotels.

We will use the referenced 25% of NSP funds (\$1,308,276) and any received Program Income principally to generate rental units; preferably, in multifamily properties. The number of Low-Income Set-Aside units in each property will be in proportion to the NSP funds invested in comparison to the total project cost.

We will deploy the following activities to accomplish our goals for individuals in this target area:

- Purchase abandoned/ foreclosed residential properties
- Purchase and rehabilitation abandoned/ foreclosed residential properties

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	YES
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If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	14
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	0
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	0

6. Public Comment

Citizen Participation Plan

Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.

Response:

The County has a published Citizen Participation Plan that is being followed. The public information meeting to obtain community feedback regarding NSP3 was conducted on January 22, 2011. A flyer used to invite citizens and other key stakeholders was widely distributed and is attached below. Additionally, the announcement was posted on the County website. We are excited about the results as the public information meeting yielded significant input regarding our selection of targeted areas of greatest need. The Emory University Office of University and Community Partnerships presented local market analysis data for DeKalb County. The Community Development staff presented an NSP1 status, NSP3 Overview, and conducted a community feedback session. A detailed summary of the meeting is included in the application as an attachment.

Lastly, this plan will be posted on the County website, selected County Public Libraries, and our government office for at least 15 days for comments prior to submission to HUD.

Summary of Public Comments Received.

The summary of public comments received is included as an attachment.

7. NSP Information by Activity

February 22, 2011

Neighborhood Stabilization Program 3 (NSP3)
Substantial Amendment to the 2008-2012 Consolidated
Plan, including the 2010 Annual Action Plan



DeKalb County Planned Use of **NSP3** Funds

NSP Item	Activity	Proposed Funding	25% for 50% of AMI
A	Establish Funding Mechanisms for purchase & redevelopment	\$1,308,276	\$1,308,276 1 Multi-family loan
B	Purchase and Rehab Abandoned or Foreclosed Homes	\$3,139,864 26 Homes	
C	Establish Land Banks for Foreclosed Homes		
D	Demo Blighted Structures	\$261,655	
E	Redevelop Demolished or Vacant Properties		
F	Administration	\$523,310	
	TOTAL	\$5,233,105	\$1,308,276 (Included in totals)

NOTE:

Program income generated from the use of NSP3 funds will be returned to the County and reused for other eligible NSP3 uses.

Activity Number 1	
Activity Name	Financing Mechanisms
Uses	Select all that apply: <input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	<p>(A) Establish financing mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- moderate and middle-income homebuyers.</p> <p>Correlated Eligible Activity from the CDBG Entitlement Regulations:</p> <ul style="list-style-type: none"> • As a part of an activity delivery cost for an eligible activity as defined in 24CFR 570.206 • Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out. <ul style="list-style-type: none"> ○ Acquisition ○ Disposition ○ Relocation
National Objective	Serve limited clientele with incomes at or below 50% of Area Median Income (Low-Moderate-Middle-Income Clientele) –Low-Income Housing to meet 25% Set-Aside (LH25)
Activity Description	<p>Through this activity, funds may be distributed in any of the “Areas of Greatest Need” in DeKalb County, as described in Item 2. (Areas of Greatest Need) of this Substantial Amendment. By providing mechanisms to finance multi-family foreclosed or abandoned units, the County can facilitate neighborhood stabilization while providing a means for households to obtain affordable rental housing.</p> <p>The Consolidated Plan documents that more than 15,000 DeKalb renters who are at or below 50% Area Median Income (AMI) demonstrate “housing needs” (renters are cost burdened or housing is substandard). Our Continuum of Care Plan also documents that low income families cannot afford area average rents and many end up homeless or living in unacceptable housing conditions. The County plans to use 25%-30% of the NSP allocation, plus 25%-30% of program income, to address the long term housing needs of households at or below 50% of AMI.</p> <p>To foster affordable housing in DeKalb for households at or below 50% of AMI, the County will work with strategic partners to provide financing mechanisms for the purchase of a multi-family property in one of the priority areas of greatest need. The financing options include the following:</p> <ul style="list-style-type: none"> a) Developer Loans b) Rehabilitation Loans

	To facilitate neighborhood stabilization, while fostering continued affordability, the County will focus on adherence to affordability guidelines and adherence to HOME regulations.			
Location Description	As noted above, all NSP activities will take place in the “Areas of Greatest Need” as described in Item 2 of this document. The anticipated benefit of this activity is the stabilization of communities in DeKalb County through the rehabilitation of multi-family properties.			
Budget	Source of Funding -		Dollar Amount -	
	NSP3		\$1,308,276.00	
	(Other funding source)		\$#####	
	(Other funding source)		\$#####	
Total Budget for Activity			\$1,308,276.00	
Performance Measures	Performance measurements were developed based on the budget assumptions shown in Question 7, below. Displayed below is a summary of the matrix that we will use for tracking the activities delineated under the activity, Financing Mechanisms.			
	Financing Mechanisms Performance Measurement			
	# of Single Family Loans for <50% AMI	# of Loans for 50% - 80% AMI	# of Loans for 81%-120% AMI	# of Multi-family Loans
	0	0	0	1 ¹
Projected Start Date	6/1/2011			
Projected End Date	6/1/2014			
Responsible Organization	Name, Location, Administrator Contact Info		DeKalb County Community Development, located at 150 E. Ponce de Leon Ave., Decatur, GA 30030, will	

¹ The County will evaluate multi-family project alternatives and implement the best alternative. Multiple properties may be financed.

		<p>serve as the lead organization for this activity. Administrator/ Contact: Chris H. Morris, Director (404) 286-3308 chmorris@dekalbcountyga.gov or Allen Mitchell, Assistant Director (404)286-3351 amitchell@dekalbcountyga.gov</p> <p>The County will identify other partnering agencies and/or subrecipients through RFP, open application, and/or other processes as described in 24 CFR 85.36. All selected subrecipients and/or partnering agencies will have the capacity to manage and implement the extensive NSP regulations and requirements.</p>
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Activity Number 2					
Activity Name	Purchase and Rehabilitate Homes and Residential Properties				
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment				
CDBG Activity or Activities	(include NSP eligible use & CDBG eligible activity) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;"><u>NSP-Eligible Uses</u></th> <th style="width: 50%;"><u>Correlated Eligible Activities from the CDBG Entitlement Regulations</u></th> </tr> </thead> <tbody> <tr> <td>(B) Purchase and Rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, redevelop such homes and properties</td> <td> <ul style="list-style-type: none"> 24 CFR 570.201 (a) Acquisition, (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); 570.202 eligible rehabilitation and preservation activities for homes and others residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity). </td> </tr> </tbody> </table>	<u>NSP-Eligible Uses</u>	<u>Correlated Eligible Activities from the CDBG Entitlement Regulations</u>	(B) Purchase and Rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, redevelop such homes and properties	<ul style="list-style-type: none"> 24 CFR 570.201 (a) Acquisition, (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); 570.202 eligible rehabilitation and preservation activities for homes and others residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
<u>NSP-Eligible Uses</u>	<u>Correlated Eligible Activities from the CDBG Entitlement Regulations</u>				
(B) Purchase and Rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, redevelop such homes and properties	<ul style="list-style-type: none"> 24 CFR 570.201 (a) Acquisition, (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); 570.202 eligible rehabilitation and preservation activities for homes and others residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity). 				
National Objective	Provide or improve permanent residential structures that will be occupied by households with incomes at or below 120% of Area Median Income (Low Moderate Middle- Income Households). (LMMH)				
Activity Description	<p>Through this activity, funds may be distributed in all “Areas of Greatest Need” in DeKalb County. By purchasing, rehabilitating, and disposing foreclosed or abandoned units to households at or below 120% of Area Median Income (AMI), the County can facilitate neighborhood stabilization, while providing a means for households to acquire affordable housing. Through the use of NSP funds, the County will strategically incorporate modern, green building and energy-efficiency improvements in all NSP activities.</p> <p>The Consolidated Plan documents that more than 15,000 DeKalb renters who are at or below 50% AMI demonstrate “housing needs” (renters are cost burdened or housing is substandard). Our Continuum of Care Plan also documents that low income families cannot afford area average rents and many end up homeless or living in unacceptable housing conditions.</p> <p>In order to make safe, decent, and affordable housing available, DeKalb County plans to collaborate with strategic partners (as identified through RFP, open application, or other processes as described in 24 CFR 85.36).</p> <p>To facilitate neighborhood stabilization, while fostering continued affordability, the County will focus on adherence to affordability guidelines</p>				

at the household level and adherence to HOME regulations. Specifics of this two-pronged approach are listed below:

a) Affordability at the Household Level

i) Tenure of Benefits – Funds may be used to acquire single family homes aimed at homeownership and multi-family property for rental purposes.

- (1) Homeowners are eligible to participate in the NSP Homeownership program only once. Property acquired by homeowners in the NSP program is subject to the affordability periods and recapture or resale controls.**
- (2) Households renting units in properties developed with NSP funds are eligible to rent units in those properties during the affordability period for the property and as long as the household remains income eligible.**

ii) Acquisition

- (1) All property will be purchased at the lowest possible price.**
- (2) The County will negotiate with FHA, VA, Fannie Mae, Freddie Mac, and other lenders willing to collaborate with the County to purchase property at the best possible price.**
- (3) In the property selection process, the County will give highest acquisition priority to property that requires less extensive rehabilitation (while remaining cognizant of the neighborhood stabilization goal).**
- (4) To ensure neighborhood stabilization, the County will consider the following additional factors when acquiring property:**
- (5) The presence of an active community/neighborhood group that is already working to improve the area.**
- (6) The existence of an overlay zone or Livable Center Initiative area.**
- (7) The concentration of senior citizens or youth in the area via a school or senior facility.**
- (8) The crime rate in the area where the foreclosed property is located.**
- (9) The presence of a major employment center near the area.**
- (10) The impact of special needs populations on the area.**
- (11) The presence of a multi-family development that threatens the stability of the area.**
- (12) The County will only consider acquiring property where clear title for all property is evident.**

iii) Buyer Selection

- (1) The County may give priority to buyers qualifying for Workforce Housing under the County's Workforce Housing Ordinance.**

- (2) The County will require eight hours of mandatory homeownership and financial management training (training curriculum to be equivalent to the Housing Choice Voucher Program curriculum).
- (3) All households must be program eligible, as required by NSP regulations.
- (4) The County will require the examination of households' debt to income ratio. Buyers may not have excessive debt. (The mortgage may not exceed 2.5-3 times their annual income).

iv) Sale

The County will sell property for less than the appraised value; but no more than the amount required by NSP regulations. To avoid decreasing neighborhood value, the County may provide a soft second mortgage to cover the difference between the appraised value and the amount of the purchaser's first mortgage. The purchaser must qualify for 80% of the appraised value of the property being purchased. The County will provide specific details on the sale of property during the NSP implementation phase.

b) Affordability through Adherence to HOME Regulations

- i) To ensure continued affordability, DeKalb County will exercise the resale/recapture options. During the NSP implementation phase, the County will establish policies and guidelines governing the deployment of these options.
- ii) The affordability period will conform to 24 CFR 92.254, "Homeowner Affordability Requirements".

Affordability Period Table for Homeownership

<u>Homeownership Assistance HOME Amount Per Unit</u>	<u>Minimum Period of Affordability in Year</u>
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

- iii) Affordability period will be imposed by deed restrictions and covenants running with the land. Additional affordability requirements as seen in 24 CFR 92.252 may apply.

<u>Affordability Period Table for Rental Housing</u>				
<u>Rental Housing Activity</u>	<u>Minimum Period of Affordability in Years</u>			
Rehabilitation or acquisition of existing housing per unit of HOME funds Under \$15,000	5			
\$15,000 - \$40,000	10			
Over \$40,000 or rehabilitation involving refinancing	15			
New construction or acquisition of newly constructed housing	20			
Location Description	All NSP activities will occur in the “Areas of Greatest Need” as described in Question A of this Substantial Amendment.			
Budget	Source of Funding			
	NSP3			
	(Other funding source)			
	(Other funding source)			
Total Budget for Activity	\$3,139,864.00			
Performance Measures	Performance measurements were developed under the assumption that the County will invest an average of \$120,764 per single-family unit for the purpose of purchase/ rehabilitation. The matrix below displays the objectives for this activity.			
	Purchase and Rehab Homes and Residential Properties			
	Performance Measurement			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;"># of Homes for <50% AMI</th> <th style="width: 50%; text-align: center;"># of Homes for 50% - 120% AMI</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">0 Homes</td> <td style="text-align: center;">26 Homes</td> </tr> </tbody> </table>	# of Homes for <50% AMI	# of Homes for 50% - 120% AMI	0 Homes
# of Homes for <50% AMI	# of Homes for 50% - 120% AMI			
0 Homes	26 Homes			
Projected Start Date	6/1/2011			
Projected End Date	6/1/2014			

Responsible Organization	Name Location Administrator Contact Info	<p>DeKalb County Community Development, located at 150 E. Ponce de Leon Ave., Decatur, GA 30030, will serve as the lead organization for this activity. Administrator/ Contact: Chris H. Morris, Director (404) 286-3308 chmorris@dekalbcountyga.gov or Allen Mitchell, Assistant Director (404)286-3351 amitchell@dekalbcountyga.gov .</p> <p>The County will identify other partnering agencies and/or subrecipients through RFP, open application, and/or other processes as described in 24 CFR 85.36. All selected subrecipients and/or partnering agencies will have the capacity to manage and implement the extensive NSP regulations and requirements.</p>

Activity Number 3									
Activity Name	Demolish Blighted Structures								
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment								
CDBG Activity or Activities	<table border="1"> <thead> <tr> <th>NSP Eligible Uses</th> <th>Correlated Eligible Activities from the CDBG Entitlement Regulations</th> </tr> </thead> <tbody> <tr> <td>(D) Demolish Blighted Structures</td> <td>24 CFR 570.201(d) Clearance for blighted structures only</td> </tr> </tbody> </table>	NSP Eligible Uses	Correlated Eligible Activities from the CDBG Entitlement Regulations	(D) Demolish Blighted Structures	24 CFR 570.201(d) Clearance for blighted structures only				
	NSP Eligible Uses	Correlated Eligible Activities from the CDBG Entitlement Regulations							
(D) Demolish Blighted Structures	24 CFR 570.201(d) Clearance for blighted structures only								
National Objective	Low Moderate Middle Income Area Benefit (LMMA)								
Activity Description	<p>Priority emphasis is placed on the "Areas of Greatest Need" as described in Item 2 of this Substantial Amendment. DeKalb County will contract with a partnering agency to clear, demolish, and remove buildings and improvements. Consideration will be given to buildings that pose safety concerns and violate environmental standards in the neighborhoods. This activity may also include the movement of structures to other sites. Demolition will only be used in areas where stabilization is needed. DeKalb County will consider combining this activity with other NSP activities to achieve the goal of creating safer neighborhoods and enhancing the overall appearance; thereby, increasing property value. Funds used under this activity will assist the County in creating safer neighborhoods for households below 50% AMI, as well as neighborhoods with households at or below 120% AMI.</p>								
Location Description	(Area or possible areas of greatest need where activity is being undertaken)								
Budget	<table border="1"> <thead> <tr> <th>Source of Funding</th> <th>Dollar Amount</th> </tr> </thead> <tbody> <tr> <td>NSP3</td> <td>\$261,655.00</td> </tr> <tr> <td>(Other funding source)</td> <td>\$#####</td> </tr> <tr> <td>(Other funding source)</td> <td>\$#####</td> </tr> </tbody> </table>	Source of Funding	Dollar Amount	NSP3	\$261,655.00	(Other funding source)	\$#####	(Other funding source)	\$#####
	Source of Funding	Dollar Amount							
	NSP3	\$261,655.00							
	(Other funding source)	\$#####							
(Other funding source)	\$#####								
Total Budget for Activity									
\$261,655.00									
Performance Measures	The performance measures have been developed using the assumption that the County may best serve the community through the demolition of blighted homes that it acquired through Activity B, Purchase and Rehabilitation of Abandoned or Foreclosed Homes. The County also assumes that the demolition cost for single family will average \$17,500. This								

	dollar amount includes site plans, inspections and contingencies. Based on those assumptions the following chart outlines our performance measurements for this activity.	
	Demolish Blighted Structures Activity Performance Measurements	
	Number of Properties Demolished with Allocated Funding	15 Units
Projected Start Date	6/1/2011	
Projected End Date	6/1/2014	
Responsible Organization	Name Administrator Contact Info Location	<p>DeKalb County Community Development, located at 150 E. Ponce de Leon Ave., Decatur, GA 30030, will serve as the lead organization for this activity. Administrator/ Contact: Chris H. Morris, Director (404) 286-3308 chmorris@dekalbcountyga.gov or Allen Mitchell, Assistant Director (404)286-3351 amitchell@dekalbcountyga.gov</p> <p>The County will identify other partnering agencies and/or subrecipients through RFP, open application, and/or other processes as described in 24 CFR 85.36. All selected subrecipients and/or partnering agencies will have the capacity to manage and implement the extensive NSP regulations and requirements.</p>

Activity Number 4		
Activity Name	Administration	
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment <input checked="" type="checkbox"/> Administration	
CDBG Activity or Activities	24 CFR 570.201 24 CFR 570.206	
National Objective	N/A	
Activity Description	The DeKalb County Community Development Department will be responsible for the administration of the NSP3 program. The staff is extremely competent and is staffed with the correct set of skills. Currently, it manages NSP1 successfully with a grant award amount of \$18.5 million. Its other entitlement grants (CDBG, HOME, and ESG) total approximately \$9.0 million annually. A DeKalb County procurement process will be used to solicit developers and or subrecipients to enable the management of the NSP3 program. Thorough departmental policies and procedures are documented and are accessible.	
Location Description	The administration of the program will be conducted in the City of Decatur, Georgia where there is adequate space and other accessible resources.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$523,310.00
	(Other funding source)	\$#####
	(Other funding source)	\$#####
Total Budget for Activity	\$523,310.00	
Performance Measures	Do not exceed 10% of the Grant Award and any received Program Income	
Projected Start Date	6/1/2011	
Projected End Date	6/1/2014	
Responsible Organization	Name Location Administrator Contact info	DeKalb County Community Development, located at 150 E. Ponce de Leon Ave., Decatur, GA 30030, will serve as the lead organization for this activity. Administrator/ Contact: Chris H. Morris, Director (404) 286-3308

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8. Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it 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-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR parts 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that 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.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it 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.

(7) **Section 3.** The jurisdiction certifies that it 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.

(8) **Citizen participation.** The jurisdiction certifies that it 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.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**

- a. 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; and
- b. 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:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. 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 nonviolent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that 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 jurisdiction certifies that its 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 laws.** The jurisdiction certifies that it will comply with applicable laws.

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

Signature/Authorized Official

Date

Title

Certifications for Non-Entitlement Local Governments

- (1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing.
- (2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR parts 87, together with disclosure forms, if required by that part.
- (4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that 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.
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- (10) **The jurisdiction certifies:**
 - a. 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; and
 - b. 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

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Signature/Authorized Official

Date

Title

