



Neighborhood Stabilization Program 3:

Proposed Substantial Amendment for the State of Georgia

NSP 3 Public Hearing
February 18, 2011

Federal Allocation to Georgia

- \$50,421,988 Total Allocation
- \$18,679,977 for State NSP
- \$31,742,011 to NSP Entitlements (14)
 - Atlanta
 - Augusta/Richmond Co.
 - Carroll County
 - Clayton County
 - Cobb County
 - Columbus/Muscogee Co.
 - DeKalb County
 - Douglas County
 - Fulton County
 - Gwinnett County
 - Henry County
 - Macon
 - Paulding County
 - Savannah

Note to NSP 3 Entitlements

- HUD Guidance on NSP Joint Agreements for NSP Grantees
 - "Any entitlement community that is eligible to receive an NSP grant may enter into a joint agreement with its state."
 - State shall be "lead" entity
- DCA shall offer this arrangement to NSP 3 entitlement communities WHO ARE NOT CDBG entitlement communities, through MOU/Intergovernmental agreement
 - Exact mechanism TBD with guidance from HUD

Action Plan Requirements

- Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (HR 4173)
- An amendment to State's FFY 2010 Action Plan
- Must be submitted to HUD no later than 03/01/2011
- Federal Register Notice – 10/19/2010

HUD Generated Data by County

- Foreclosure Data (HUD Foreclosure Need Website)
 - Number and percentage of residential foreclosures
 - Number and percentage of homes financed by a subprime mortgage
 - Number and percentage of homes in default or delinquency

Sources:

- See Methodology at: <http://www.huduser.org/NSP/NSP3.html>

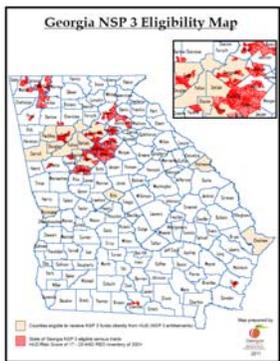
Additional data used by DCA to calculate allocation

- REO Data by County
 - County Level Activity Reports tracking new foreclosures completed in each month

Source:

- RealtyTrac

HUD Generated Data combined with REO Data by County



DCA Determined Need by HUD plus REO Data and Ranks

Jurisdiction	REO Inventory Score	HUD Allocation
Atlanta	150	150
DeKalb	100	100
Other	50	50
Total	300	300

Need Determined by Actual Data and Ranks

- Formula used to measure need and determine possible direct allocations
 - Amounts listed are approximate and subject to change based on:
 - Number of applications received
 - Undersubscribed – Eligible applicants do not apply/not awarded
 - Oversubscribed – Regional applications awarded
 - HUD Reallocation
 - Regional or Joint applications encouraged
 - Set Aside of \$1.5 M to be administered by the Georgia Housing Finance Agency (GHFA) to meet HUD Requirement to “create preference for affordable rental housing development”
 - Entitlement allocation adjusted for offset from HUD allocation

Considerations for Regional/Joint Applications

- Must aggregate REO Inventory Score across all jurisdictions to reach 300 or more
- Propose activity in census tracts scoring 17 or higher
- Must submit Intent to File Joint/Regional Application with DCA by March 15, 2011
- Must describe clear methodology to address needs in all jurisdictions through systematic approach to address neighborhood needs in all jurisdictions

State Action Plan Priorities

- Priority within Census tracts scoring 17 or higher need scores (*see map*)
- Each Sub-Recipient must use at least 25% of their funds to assist those at or below 50% of Area Median Income (AMI)
- Properties must be purchased at an overall discount of 1% as verified by an appraisal made within 60 days of initial offer.

State Action Plan Priorities

- Continued Affordability – DCA proposes to adopt the HOME program standards at 24 CFR 92.252(a), (c), (e) and (f), and 92.254 to be in compliance with HUD's affordability standard
- Program income to be managed with existing CDBG/NSP 1 Revolving Loan Fund (RLF) policies and local reporting procedures

Eligible Activities

- Establish financing mechanisms for purchase and redevelopment of foreclosed properties;
- Purchase and rehab residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such properties;
- Establish or operate land banks for homes that have been foreclosed upon;
- Demolish blighted structures; and
- Redevelop demolished or vacant properties as housing.

Timelines

- Action Plan published 02/10/2011
- NOFAs to be announced March 1, 2011
- Notice to file Regional/Joint Application submitted to DCA by March 15, 2011
- Applications for Direct Allocation must be received by March 31, 2011
- DCA expects HUD approval of its Plan by March 31, 2011
- DCA announces Direct Allocation awards on or about May 1, 2011
- 2 years to SPEND 50% of award
- 3 years to SPEND 100% of award

Direct Allocation Application Rating

- Target assistance to area(s) of highest and greatest need (census tract need score) of 17 or higher
- Prioritization of work within those tracts to specific neighborhoods to achieve maximum impact
- Inclusion of all required maps from the HUD Mapping Tool website
- Specific goal to achieve (at a minimum) the HUD Impact Score for the targeted census tract(s)
- Administrative capacity (understanding and history of successfully completing CDBG and NSP type activities)

Direct Allocation Application Rating

- Implementation plan with specific eligible activities, and documentation of ability to implement activities quickly
- Congruence between DCA's proposed allocation, funds requested through the local proposal, and the activities chosen to address the needs described
- Adequacy of local proposal to ensure at least 25% of proposed allocation benefit persons below 50% of AMI
- Clear readiness to proceed with specific activities
- Demonstrate preference for affordable rental housing development

Direct Allocation Application Rating

- The efficiency and effectiveness of the proposed activities
- Demonstrated understanding of applicable laws and regulations
- Description of implementation partnerships (if any) and documentation of partner roles and agreements
- Needed agreements (e.g. options, contracts, leases, etc.) are in place and ready to implement.

Affordable Rental Housing Development Pool

- \$1,500,000 Set Aside to meet HUD requirement to create preference for affordable rental housing
- NSP funds awarded in ARHD pool must be used in conjunction with these programs:
 - Low Income Housing Tax Credit Program
 - Permanent Supportive Housing Program

Other Considerations

- 2 years to spend 50% of funds
- 3 years to spend 100%
- Quarterly reports and monitoring
- Slow projects to be subject to reallocation by DCA

Other Considerations

- Definitions
- Sustainable affordability
- Rehabilitation Standards
- 25% of funds to <50% AMI
- Relocation/URA Requirements
- Resolution to apply from Local Government

Discussion



Questions

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Comments

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- Brian Williamson, Assistant Commissioner
- Glenn Misner, Director, Office of Field Services
- Sally Adams, NSP Program Manager
