

Neighborhood Stabilization Program (NSP) DeKalb County Quarterly Progress Report 10/1/2009 to 12/31/2009

GENERAL INFORMATION:

Title III of Division B of The Housing and Economic Recovery Act of 2008 (HERA) was approved July 30, 2008. The grant program under Title III is commonly referred to as the Neighborhood Stabilization Program (NSP). The Program provides emergency assistance to acquire, rehabilitate, redevelop, and resell foreclosed properties that might otherwise become sources of abandonment and blight within communities. DeKalb County has been allocated \$18,545,013 in NSP funds to implement its local program. The NSP Substantial Amendment to the 2008-2012 Consolidated Plan, along with subsequent responses to questions from HUD, sets forth the County's plan to use NSP funds. HUD's Neighborhood Stabilization Program (NSP) will assist DeKalb County's current efforts to stabilize and preserve communities most devastated by foreclosure.

OVERALL PROGRESS:

- On July 14, 2009, in response to an RFP, the DeKalb County Board of Commissioners approved a contract to the Atlanta Neighborhood Development Partnership, Inc. (ANDP) for \$9.3 million in NSP funds.
- The contract was executed on September 9, 2009. ANDP will assist DeKalb County in implementing a portion (unincorporated DeKalb County) of the Neighborhood Stabilization Program.
- On December 4, 2009, since completing the process and procedures manual, ANDP closed on our first **Activity A** NSP home (Second Mortgage Program/financing mechanisms).

As a result of increased marketing efforts for Activity A, DeKalb second mortgage program has received 7 reservations during this reporting period totaling \$180,235.

Of the 7 reservations involved DeKalb NSP closed 1 loan on December 4, 2009 and another on January 26, 2010. We anticipate closing the remaining 5 by mid February 2010.

In an effort to add more dimension to the program and to address the mortgage needs of those who put their lives in harms way every day for the County, The

DeKalb NSP Officer Next Door and First Responder Second Mortgage Program kickoff occurred on October 19, 2009.

The County established a funding Set-Aside in the amount of \$2.5 million dollars. This program is designed to create an incentive for DeKalb police officers and first responders to purchase an affordable home in DeKalb County. We have received tremendous support for the program and anticipate an increase in loan activity from our police officers and first responders in the following quarter.

We anticipate closing on our First Responders loan in early February 2010.

As a continuous effort to market homeownership opportunities, the NSP program was showcased on November 14, 2009 as part of the new vision for Neighborhood Office of Empowerment. The office of the CEO for DeKalb County brought together over 500 DeKalb citizens to discuss neighborhood issues. Phone inquiries about NSP have increased and we anticipate this interest to be translated into mortgage requests or the purchase of an NSP rehabilitated home.

In order to meet the commitment of 25% of the NSP funds to persons at 50% AMI, DeKalb has reached out to developers regarding the redevelopment of foreclosed multi-family during this reporting period. Several developers are actively analyzing foreclosed apartments that may be eligible for the Neighborhood Stabilization Program.

- Under **Activity B** ANDP/DeKalb NSP has evaluated 150 properties in the market place.

Made 45 offers and 28 were rejected and unable to secure a contract.

16 offers are pending totaling \$2,871,608. On December 18, 2009 ANDP and DeKalb NSP agreed to purchase and rehabilitate 1 property under Activity B. This property is under contract and ANDP has completed the due diligence phase of this purchase. We anticipate that the total development cost at \$83,000. Closing is anticipated to occur during the first week of February 2010.

The acquisition, rehabilitation and disposition arm of DeKalb's NSP is engaged. The process and procedure format has been developed and we are projecting a sharp increase in Activity B within the first quarter of 2010.

On October 13, 2009 DeKalb County Board of Commissioners awarded a contract to Real Estate Alliance Partnership/Pellerin & Salomon Real Estate Services, LLC (REAL) for \$2.5 million dollars.

The contract was actually executed on November 11, 2009. They have the responsibility for implementing the NSP program in the municipalities of DeKalb County, and will assist the County with acquisitions, rehabilitation and disposition of foreclosed homes.

REAL and DeKalb have continued to engage critical stakeholders in the planning and implementation phase of the program. We have gone on bus tours with the respective Mayors of each municipality (Chamblee, Clarkston, Decatur, Doraville, Dunwoody, Lithonia, Pine Lake and Stone Mountain) to gain additional insight into their neighborhoods impacted by foreclosures.

As a result, we have been able to identify individual properties and neighborhoods to work within. Further due diligence is required to determine the feasibility of these properties. With this partnership approach we anticipate purchasing, rehabilitating and disposing of these properties in early 2010.

ACTION PLAN

The HUD Disaster Recovery Grant Reporting (DRGR) system was developed for grantees to identify activities funded under their Action Plans and Amendments along with budgets and performance goals for those activities. Once an Action Plan is submitted and approved, grantees can submit quarterly reports summarizing obligation, expenditures, drawdowns, and accomplishments for all their activities.

The following section is an Action Plan we submitted to HUD through the Disaster Recovery Grant Reporting (DRGR) System. The following activities represent our proposed actions and budget. One home has been purchased. NSP has completed second mortgage financing for one home as of December 31, 2009. The draw down occurred in January 2010.

Grant Number: B-08-UN-13-0003

Grantee Name: DeKalb County, GA

Grant Amount: \$18,545,013

- View Disaster Damage
- View Recovery Needs
- View Activities
- 08-A1
- 08-A2
- 08-B1
- 08-B2
- 08-C
- 08-D
- 08-E
- 08-F
- View Action Plan History

Status: Reviewed and Approved

Disaster Damage:

Recovery Needs:

View Activities

Grantee Activity Number: 08-A1

Activity Title: Financing Mechanisms **Project:** Funding Mechanisms

Activity Type: Homeownership assistance to low- and moderate-income households

Activity Status: Planned

National Objective: LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Projected Start Date: 09/01/2009

Total Budget, HUD Disaster Funds: \$4,550,020

Other Funds Total: \$0.00

Projected End Date: 09/30/2013

Total Funds Amount: \$4,550,020

Performance Measurement # of Households benefitting	Proposed Total	Low	Mod
	128		128

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in DeKalb County NSP application.

Activity Description:

NSP funds will be used to establish funding mechanisms for the purchase and redevelopment of foreclosed homes and residential properties. The financing mechanisms will include, but not be limited to first and second mortgages (soft, hard, gap financing).

On September 9, 2009, DeKalb County executed the contract with the Subrecipient, the Atlanta Neighborhood Development Partnership Inc. (ANDP). During this quarter DeKalb County and ANDP focused on identifying properties. DeKalb County is prepared to move forward and we anticipate, based on preliminary analysis, that the police officers and first responders as well as the general public are excited about the program and the possibilities. ANDP closed on our first NSP home under Activity A (Second Mortgage Program/financing mechanisms) on December 4, 2009 but DeKalb County did not draw the money from DRGR. The first home was located in Lithonia GA ZIP code 30038 . We anticipate seeing significant lending activity going forward.

Grantee Activity Number: 08-A2

Activity Title: Funding Mechanisms–Affordable Rental Units 25% LH

Project: Funding Mechanisms

Activity Type: Rehabilitation/reconstruction of residential structures

Activity Status: Planned

National Objective: LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Projected Start Date: 09/01/2009

Projected End Date: 09/30/2013

Total Budget, HUD Disaster Funds: \$2,950,000

Other Funds Total: \$0.00

Total Funds Amount: \$2,950,000

Performance Measurement # of Properties	Proposed Total	Low	Mod
	1		

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in the DeKalb County NSP application

Activity Description:

NSP funds will be used to establish funding mechanisms for the purchase and redevelopment of foreclosed multi-family properties. The financing mechanisms will include, but not be limited to developer loans, rehabilitation loans, or shared equity loans. The activity will benefit persons whose incomes are below 50% of AMI.

Grantee Activity Number: 08-B1

Activity Title: Purchase and Rehab of NSP Eligible Properties

Project: Purchase and Rehabilitate of NSP Eligible Properties

Activity Type: Rehabilitation/reconstruction of residential structures

Activity Status: Planned

National Objective: LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Projected Start Date: 09/01/2009

Projected End Date: 09/30/2013

Total Budget, HUD Disaster Funds: \$5,940,492

Other Funds Total: \$0.00

Total Funds Amount: \$5,940,492

Performance Measurement	Proposed Total	Low	Mod
# of housing units	38		

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in the DeKalb County NSP application.

Activity Description:

NSP funds will be used to purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed, in order to sell and redevelop such homes and properties.

Detailed discussions with ANDP and REAL regarding neighborhood and property selection criteria, based upon market conditions, have occurred. We developed acquisition and rehabilitation guidelines and both subrecipients are moving forward. In mid December 2009 we moved forward to purchase the first foreclosed property for rehabilitation and disposition in Lithonia GA 30038. We are aggressively moving forward in this market.

Grantee Activity Number: 08-B2

Activity Title: Purchase & Rehab of NSP Eligible Properties - 25% LH

Project: Purchase and Rehabilitate of NSP Eligible Properties

Activity Type: Rehabilitation/reconstruction of residential structures

Activity Status: Planned

National Objective: LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Projected Start Date: 09/01/2009

Projected End Date: 09/30/2013

Total Budget, HUD Disaster Funds: \$1,750,000

Other Funds Total: \$0.00

Total Funds Amount: \$1,750,000

Performance Measurement	Proposed Total	Low	Mod
# of housing units	15		

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in the DeKalb County NSP application.

Activity Description:

NSP funds will be used to purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed, in order to sell and redevelop such homes and properties that will benefit persons whose incomes are below 50% of AMI.

Grantee Activity Number: 08-C

Activity Title: Establishment of Land Banks for Foreclosed Homes

Project: Establishment of Land Banks for Foreclosed Homes

Activity Type: Land Banking - Acquisition (NSP Only)

Activity Status: Planned

National Objective: LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Projected Start Date: 09/01/2009

Projected End Date: 09/30/2013

Total Budget, HUD Disaster Funds: \$500,000

Other Funds Total: \$0.00

Total Funds Amount: \$500,000

Performance Measurement	Proposed Total	Low	Mod
# of Properties	4		

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in the DeKalb County NSP application.

Activity Description:

NSP funds will be used to acquire, through a partnering agency, foreclosed homes at the lowest possible price in the "Areas of Greatest Need". The partnering agency will hold the properties for future development and use. They will maintain, assemble, redevelop, market and dispose of properties that are in the land bank.

Grantee Activity Number: 08-D

Activity Title: Demolition of Blighted Structures

Project: Demolition of Blighted Structures

Activity Type: Clearance and Demolition

Activity Status: Planned

National Objective: LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Projected Start Date: 09/01/2009

Projected End Date: 09/30/2013

Total Budget, HUD Disaster Funds: \$500,000

Other Funds Total: \$0.00

Total Funds Amount: \$500,000

Performance Measurement	Proposed Total	Low	Mod
# of housing units	28		

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in the DeKalb County NSP application.

Activity Description:

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 be used to help stabilized neighborhoods.

Grantee Activity Number: 08-E

Activity Title: Redevelop Demolished or Vacant Properties

Project: Redevelop Demolished or Vacant Properties

Activity Type: Construction of new replacement housing

Activity Status: Planned

National Objective: LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Projected Start Date: 09/01/2009

Projected End Date: 09/30/2013

Total Budget, HUD Disaster Funds: \$500,000

Other Funds Total: \$0.00

Total Funds Amount: \$500,000

Performance Measurement	Proposed Total	Low	Mod
# of housing units	4		

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in the DeKalb County NSP application.

Activity Description:

DeKalb County will collaborate with strategic partners that work to provide affordable housing to families that are eligible under NSP requirements. The County will implement redevelopment activities using NSP funding. These activities will take into consideration the buyer selection process, sale price of property, continued affordability, and tenure of benefit.

Grantee Activity Number: 08-F

Activity Title: Administration

Project: Administration

Activity Type: Administration

Activity Status: Planned

National Objective: Not Applicable - (for Planning/Administration or Un-programmed Funds only)

Projected Start Date: 09/01/2009

Projected End Date: 09/30/2013

Total Budget, HUD Disaster Funds: \$1,854,501

Other Funds Total: \$0.00

Total Funds Amount: \$1,854,501

Responsible Organization: DeKalb County Government

Location Description: The areas of greatest need identified in the DeKalb County NSP application.

Activity Description:

DeKalb County will use the funds for planning, administration and implementation of NSP related projects/activities.