

# **Neighborhood Stabilization Program (NSP) DeKalb County Quarterly Progress Report 7/1/2009 to 9/30/2009**

## **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 DeKalb County 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:**

As background, on July 14, 2009, the DeKalb County Board of Commissioners awarded the Request for Proposal (RFP) of the NSP to the Atlanta Neighborhood Development Partnership, Inc. (ANDP). The actual contract was executed on September 9, 2009. ANDP will assist DeKalb County in implementing a portion of the Neighborhood Stabilization Program. For the reporting period ending September 30, 2009, no homes have been purchased or rehabilitated.

Even though we have not begun the property acquisition process, we have continued to engage critical stakeholders in the implementation planning phase. Additionally, our community outreach has been instrumental in the creation of an infrastructure/system necessary to implement the program. The general feedback from the citizens has been supportive and positive.

A summary of our outreach efforts and developmental strategies from July 1 through September 30, 2009 are set forth below.

- On Saturday morning July 11, 2009, the DeKalb County Community Development team participated in the "Not by Bread Alone" community outreach breakfast hosted by the Bouldercrest Church of Christ. The purpose of this meeting was to update the citizens on the status of NSP. There were approximately 80 attendees, including individuals from the local real estate community. The presentation and Q&A session focused on the DeKalb Neighborhood Stabilization Program and how to access it to improve

neighborhoods. Based on the Q&A session and other comments, the attendees were very excited about the program. We anticipate tremendous follow through from this community as we continue through the implementation phase.

- On August 6, 2009, the County had the first team meeting with ANDP. At this meeting responsibilities and action item activity were identified and the team has continued to meet on a weekly basis.
- As a result of ANDP's work and the collaborative team approach that we are using, we are pleased with the progress and development of the following documents and reporting systems:
  - The program guide details loan terms, repayment, the participating lenders, eligible applicants, eligible properties, environmental reviews, eligible loans, underwriting, reservation guidelines, second mortgage loan documents and other related instruments needed to appropriately close the transaction.
  - We created important checklists that will add to an efficient, cogent and comprehensive operation.
  - We also worked on creating a brochure that simplified the program to ensure a user friendly approach for the consumer, as well as created the most frequently asked questions document.
- On **September 9, 2009**, the County and ANDP sponsored a training session at the Porter Sanford III Performing Arts and Community Center for the lenders and real estate professionals. The response from the participants was one of excitement and willingness to move forward. A second training session is scheduled for early November 2009.
- In late September, in communication with the CEO's office of DeKalb County, the NSP program began developing a program for DeKalb Police Officers and First Responders. The DeKalb Officers Next Door Program is designed to enable our officers to fulfill the American dream of homeownership. Our officers and other first responders who place their lives on the line everyday to protect the public, will have a chance to purchase a quality affordable home in the designated areas of greatest need. The program was announced in late October 2009.
- As part of DeKalb's comprehensive effort to reach out to all of the neighborhoods of greatest need, the DeKalb Board of Commissioners approved the firm of Pellerin & Salomon Real Estate Services, LLC to implement DeKalb County's NSP effort in the Municipalities of DeKalb County, which excludes the City of Atlanta. The Pellerin & Salomon firm is a for-profit company that has the ability to perform all aspects of real estate financing, development and management with a proven track record of developing and managing over 30 assets in the southeastern United States. We are excited about the partnership and anticipate the formal signing of the contract in late October 2009.

## **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. No homes have been purchased or rehabilitated as of September 30, 2009. When you review the next quarter report, you will see the accomplishments in each of these activities.

**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](#)
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- [08-B2](#)
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**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 creating the documents required to move the program forward and to insure that regulatory compliance would be adhered to. 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. 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

<b>Performance Measurement # of Properties</b>	<b>Proposed Total</b>	<b>Low</b>	<b>Mod</b>
	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

<b>Performance Measurement</b>	<b>Proposed Total</b>	<b>Low</b>	<b>Mod</b>
<b># of housing units</b>	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 regarding neighborhood and property selection criteria, based upon market conditions, have occurred. We developed acquisition and rehabilitation guidelines.

**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

<b>Performance Measurement</b>	<b>Proposed Total</b>	<b>Low</b>	<b>Mod</b>
<b># of housing units</b>	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

<b>Performance Measurement # of Properties</b>	<b>Proposed Total</b>	<b>Low</b>	<b>Mod</b>
	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

<b>Performance Measurement</b>	<b>Proposed Total</b>	<b>Low</b>	<b>Mod</b>
<b># of housing units</b>	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

<b>Performance Measurement</b>	<b>Proposed Total</b>	<b>Low</b>	<b>Mod</b>
<b># of housing units</b>	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.