

**Proposed Substantial Amendment to  
the 2008-2012 Consolidated Plan, including  
the 2008 Annual Action Plan  
For the  
Neighborhood Stabilization Program 1  
(September 2012)**

**DeKalb County, Georgia**

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The Department of Housing and Urban Development (HUD) requires a fifteen day period (September 13, – September 28, 2012) for the purpose of obtaining public comments.

DeKalb County DUNS Number: **061420535**

Prepared by the DeKalb County  
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**September 2012**  
**Proposed Substantial Amendment to the 2008-2012**  
**Consolidated Plan, including the 2008 Annual Action Plan**  
**For the Neighborhood Stabilization Program 1**

The purpose of this amendment is to revise the program income budget and modify the uses for the increased program income so that more NSP 1 funds can be used in the appropriate categories to acquire, rehabilitate and sell foreclosed homes, establish land banks for foreclosed properties, demolish blighted structures and redevelop demolished or vacant properties. This amendment will allow the County to meet the Neighborhood Stabilization Program 1 (NSP1) requirements relating to the timeliness of this obligation.

The original NSP1 Action Plan, the definitions, eligible activities and priority tiers remain the same. What is being proposed is additional funding that has been generated from program income and the modified use of that program income. Program income is generated from the net sales proceeds of NSP1 homes to eligible buyers of Activity B, (Purchase and Rehab Abandoned or Foreclosed Homes), and the repayment of a Developer Loan provided under Activity A (Funding Mechanisms). NSP1 Guidance issued on September 1, 2011 requires grantees to include the initial program fund allocation plus program income to determine the statutory 25% low-income set-aside target.

The NSP1 budget amendment is based on the estimated program income from Activity A and B. The \$5,767,296 estimate reflected in the proposed program income revision column includes the \$5,006,084 already received and projected program income of \$761,212 that is anticipated to be generated from outstanding NSP1 home sales and Developer Loan repayments.

Under HUD requirements, we are allowed to set aside 10% of Program Income for administration. The remaining program income will be used for NSP1 eligible activities. If NSP1 Program Income is more than the \$5,767,296 we projected, 10% of the Program Income above the projection will be set aside for administration, and the balance will continue to be used in other activities (i.e. A, B, C, D, and E).

We are following the same citizen participation plan for all HUD programs, which allows up to 60% of adjustment in each activity. If the adjustment is more than 60% for each activity, we will make another substantial amendment to inform the public.

Under HUD requirements, we are required to spend program income before we can draw down funds from the Treasury Department. Depending on the timing of the project and the availability of program income, it may be necessary to draw down NSP1 funds from the Treasury Department to accommodate the total project costs.

**Proposed NSP1 Budget Amendment including Program Income  
(September 2012)**

<b>NSP Activity</b>	<b>Activity</b>	<b>Original NSP Budget (October 2008)</b>	<b>Adjusted NSP Budget (June 2010)</b>	<b>Estimated Program Income Budget (September 2012)</b>	<b>Estimated Program Income Revision (September 2012)</b>	<b>Total Set-Aside (25%) for 50% AMI</b>
A	Establish Funding Mechanisms for the purchase and redevelopment of foreclosed upon homes and residential properties	\$7,500,020	\$5,990,512	\$300,000	\$6,290,512	\$4,890,512 Multi-Family  Expended from Program Fund
B	Purchase and Rehab Abandoned or Foreclosed Homes	\$7,690,492	\$10,700,000	\$2,000,000	\$12,700,000	\$1,430,688 Single Family Homes from Program Funds
C	Establish Land Banks for Foreclosed Homes	\$500,000	\$0	\$300,000	\$300,000	
D	Demo Blighted Structures	\$500,000	\$0	\$300,000	\$300,000	
E	Redevelop Demolished or Vacant Properties	\$500,000	\$0	\$2,290,566	\$2,290,556	
	Administration	\$1,854,501	\$1,854,501	\$576,730	\$2,431,231	
	<b>TOTAL</b>	<b>\$18,545,013</b>	<b>\$18,545,013</b>	<b>\$5,767,296</b>	<b>\$24,312,309</b>	<b>\$6,321,200 (26%) (Included in Totals)</b>

Note:

1. If more than \$5,767,296 additional NSP1 Program Income is received, we will use it for any of the approved activities.
2. Budget adjustments for Program Income may be necessary to satisfy the NSP1 requirements on targeting timeliness of expenditures, and/or other program objectives. The NSP1 Program Income budgeted amount is based on current market conditions, housing inventories, and pricing. Budgets may change at implementation due to changes in these factors.

**Activity A:** The County is proposing a total of \$4,890,512 on a multi-family properties for **Activity A.**

1. In accordance with recent NSP1 Guidance, the County is now required to set aside 25% of the aggregate amount of its original program grant fund (\$18,545,013) and program income (\$5,767,296) to target households at 50% AMI. The total aggregate amount is \$24,312,309 and the 26% (one percent above the requirement) set aside totals is \$6,321,200. To date, the County has expended nearly \$4.9 M from the original program fund on multi-family units that target 50% AMI households. Additionally, the County has sold ten single family homes to individuals at 50% AMI or below in an amount of approximately \$1,106,855, covered under Activity B. This additional amount would represent a total low-income allocation of approximately \$6.3 M (or 26 %) of the County's aggregate NSP funds.

**Activity B:** Additional single-family homes will be developed for the purpose of purchase/rehabilitation and subsequent selling of single-family foreclosed homes. Additionally, the County has sold ten single family homes to individuals at 50% AMI or below in the amount of approximately \$1,106,855, covered under Activity B.

**Activity C:** Designated funds represent an estimated amount to establish and implement the DeKalb County Land Bank Authority that has already been approved.

**Activity D:** Designated funds will allow the County to demolish vacant dilapidated properties

**Activity E:** Designated funds will allow the County to demolish and/or redevelop vacant abandoned properties.

