

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>Clayton County, GA</u> (<i>identify lead entity in case of joint agreements</i>) Housing & Community Development Program [Finance Department] Jurisdiction Web Address: www.co.clayton.ga.us (<i>URL where NSP Substantial Amendment materials are posted</i>)	NSP Contact Person: <u>W. Lance Crawford, Director</u> Address: <u>Clayton County Housing & Comm. Dev. Program</u> <u>148 Courthouse Street</u> <u>Jonesboro, GA 30236-3600</u> Telephone: <u>(770) 210-5208</u> Fax: <u>(770) 210-5215</u> Email: <u>wlcrawford@bellsouth.net</u>
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NSP Grant Amount Requested From HUD

\$9,732,126

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data in developing this section of the Substantial Amendment.

Response:

Areas of Greatest Need in Clayton County

Clayton County is using, initially, the HUD-provided foreclosure and abandonment risk score to identify the areas within Clayton County which are its "areas of greatest need." The risk scores were ranked by HUD from 1-10, with 1 being the areas with the lowest foreclosure and abandonment risk and with 10 being the areas with the highest foreclosure and abandonment risk.

Clayton County has determined that all Census Tracts/Block Groups with foreclosure and abandonment risk scores of 8 and higher are included as "areas of greatest need." These Census Tracts/Block Groups are presented in the Table 1, Page 3, and are depicted graphically on Map 1, Page 6.

Clayton County will be obtaining land parcel specific data where foreclosures have occurred during 2008. These data will also be mapped and correlated with the Census Tracts and Census Block Groups already identified as areas of greatest need using the HUD supplied foreclosure and abandonment risk data. Adjustments will be made to the "areas of greatest need," if necessary, after the comparison of these two sets of data.

TABLE 1

Census Tract	Census Block Group		HUD Estimated foreclosure abandonment risk score
040201	1	10	
040201	2	10	
040202	1	10	
040202	9	10	
040202	9	10	
040301	1	10	
040301	1	10	
040302	1	10	
040302	1	10	
040302	2	10	
040302	3	10	
040302	4	10	
040302	4	10	
040303	1	10	
040303	1	10	
040303	2	10	
040303	2	10	
040303	3	10	
040303	3	10	
040303	4	10	
040303	5	10	
040303	6	10	
040303	6	10	
040304	1	10	
040304	1	10	
040304	2	10	
040304	3	10	
040305	1	10	
040305	1	10	
040305	2	10	
040305	2	10	
040305	3	10	
040305	3	10	
040405	1	10	
040405	1	10	
040405	2	10	
040405	3	10	
040406	1	10	
040406	1	10	
040406	2	10	
040406	9	10	
040407	1	10	
040407	2	10	

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Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
040407	2	10
040407	2	10
040409	6	10
040409	7	10
040410	1	10
040410	2	10
040410	2	10
040410	9	10
040410	9	10
040410	9	10
040410	9	10
040410	9	10
040413	3	10
040413	4	10
040503	1	10
040503	1	10
040503	3	10
040503	3	10
040503	4	10
040503	4	10
040506	2	10
040506	2	10
040506	3	10
040506	3	10
040506	4	10
040509	1	10
040509	1	10
040509	2	10
040510	1	10
040510	1	10
040510	2	10
040510	2	10
040512	2	10
040512	2	10
040512	3	10
040512	3	10
040514	3	10
040515	1	10
040515	2	10
040515	2	10
040515	3	10
040515	3	10
040516	1	10
040516	1	10
040516	2	10
040517	1	10
040517	2	10
040517	3	10

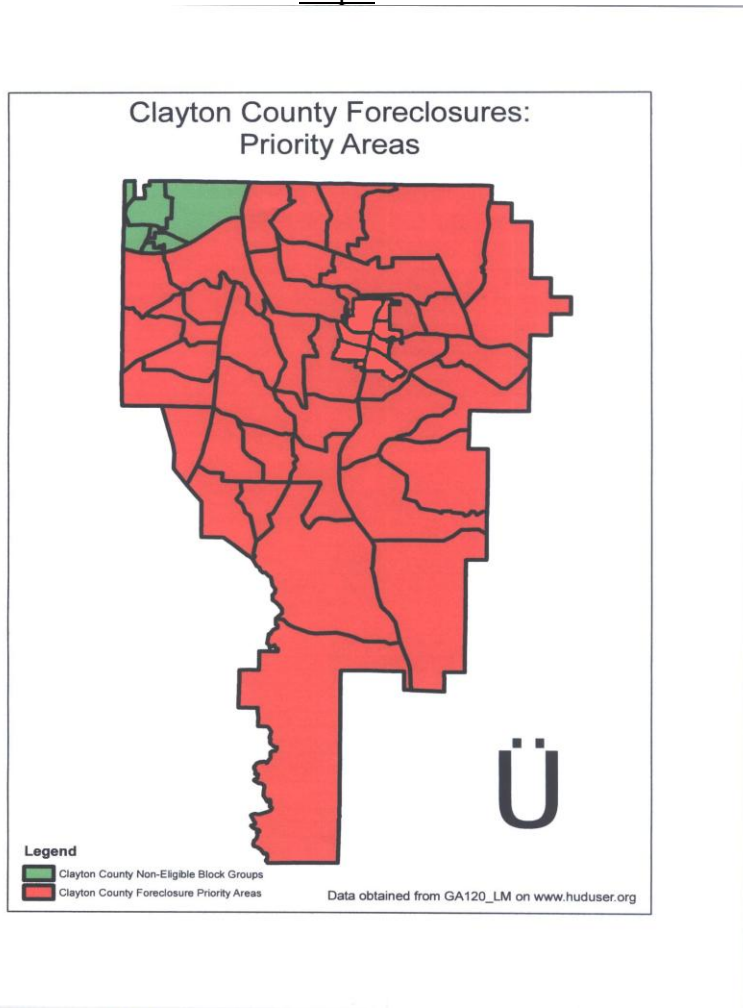
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Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
040518	1	10
040518	2	10
040606	1	10
040606	1	10
040606	1	10
040606	1	10
040607	1	10
040607	1	10
040607	2	10
040607	2	10
040607	3	10
040607	3	10
040607	3	10
040610	1	10
040610	2	10
040610	3	10
040611	5	10
040611	5	10
040611	6	10
040612	2	10
040612	2	10
040612	3	10
040612	3	10
040612	4	10
040612	4	10
040613	2	10
040613	2	10
040613	3	10
040613	3	10
040408	2	9
040408	2	9
040408	3	9
040408	4	9
040408	4	9
040411	4	9
040411	4	9
040411	5	9
040411	5	9
040412	1	9
040412	2	9
040412	3	9
040511	1	9
040511	2	9
040513	4	9
040513	5	9
040513	6	9
040513	6	9
040608	1	9
040608	1	9

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Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
040608	1	9
040609	1	9
040609	1	9
040609	2	9
040609	3	9
040614	4	8
040614	5	8

Map 1



Substantial Amendment Map Revised 5/27/10

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note:* The grantee’s narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

Since 2005, Clayton County has been one of the counties in Georgia with the highest numbers and the highest percentages of foreclosures of single-family owner-occupied housing. As a result of the large number of foreclosures in Clayton County, and the concomitant negative impact on the neighborhoods in which these structures are located, the County will utilize its NSP funds for the following activities:

1. Clayton County will use NSP grant funds and NSP Program Income to purchase and rehabilitate foreclosed single-family housing [detached housing and fee-simple townhomes], as necessary to comply with the Clayton County NSP Rehabilitation Standards [the HOME Program Property Standards]. Clayton County has adopted as its HOME Program Property Standards the Georgia Uniform Code Act [ICC Building Code, National Electrical Code, etc.], as implemented through the Clayton County Housing Rehabilitation Standards. The activity has been classified by HUD as a “Type B” activity under NSP rules.

The foreclosed homes purchased must be located in Census Tracts/Block Groups designated by Clayton County as “areas of greatest need” using HUD-supplied foreclosure and abandonment risk data, as updated using actual foreclosure data obtained from the Clayton County tax records.

This targeting strategy for the Clayton County NSP will ensure that the NSP funds are distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by Clayton County as likely to face a significant rise in the rate of home foreclosures.

The rehabilitated homes will be sold to homebuyers with total household incomes which are not greater than 120% of the Area Median Income for Clayton County.

At least 25% of the funding expended for the acquisition/rehabilitation of these homes will be limited to homes sold to persons with total household incomes which do not exceed 50% of Area Median Income.

These maximum income levels are reflected in Table 2, which follows:

Table 2
NSP Maximum Income Limits – Clayton County, Georgia

Household Size								
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
50%	\$24,900	\$28,500	\$32,050	\$35,600	\$38,450	\$41,300	\$44,150	\$47,000
80%	\$39,850	\$45,550	\$51,250	\$56,950	\$61,500	\$66,050	\$70,650	\$75,200
120%	\$59,800	\$68,350	\$76,900	\$85,450	\$92,300	\$99,100	\$105,950	\$112,800

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

The Clayton County Code of Ordinances does not use the term “blighted structure,” but does address “Unsafe Buildings” under Article XIII Sections 18-555 and 18-556. Clayton County will use this “Unsafe Buildings” section from its Code of Ordinances as its “blighted structure” definition for the NSP:

ARTICLE XIII. UNSAFE BUILDING ABATEMENT CODE

Sec. 18-555. Applicability.

Except where general provisions contained within this article may otherwise conflict with specific provisions contained within the County Code of Ordinances, this article shall provide for a concise set of procedures to effect the elimination of unsafe buildings in a legal and timely manner in the unincorporated area of the county.

(Ord. No. 95-109, § 4, 10-3-95)

Sec. 18-556. Adoption; compliance.

Except where such general provisions may otherwise conflict with specific provisions contained within the County Code of Ordinances, the Standard Unsafe Building Abatement Code (1985 edition), as published by the Southern Building Code Congress International, Inc., and all amendments thereto, are hereby adopted by reference thereto and incorporated herein as part of the County Code of Ordinances. Accordingly, except where such general construction requirements may otherwise conflict with specific construction requirements contained within the County Code of Ordinances, all building structures or portions thereof shall be maintained and otherwise conform in all respects to the minimum standards set forth in the Standard Unsafe Building Abatement Code (1985 edition).

(Ord. No. 95-109, § 4, 10-3-95)

“Official Code of Georgia Annotated, 41-2-7:

§ 41-2-7. Power of counties and municipalities to repair, close, or demolish unfit buildings or structures; health hazards on private property; properties affected

(a) It is found and declared that in the counties and municipalities of this state there is the existence or occupancy of dwellings or other buildings or structures which are unfit for human habitation or for commercial, industrial, or business occupancy or use and not in compliance with the applicable state minimum standard codes as adopted by ordinance or operation of law or any optional building, fire, life safety, or other codes relative to the safe use of real property and real property improvements adopted by ordinance in the jurisdiction where the property is located; or general nuisance law and which constitute a hazard to the health, safety, and welfare of the people of this state; and that a public necessity exists for the repair, closing, or demolition of such dwellings, buildings, or structures. It is found

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and declared that in the counties and municipalities of this state where there is in existence a condition or use of real estate which renders adjacent real estate unsafe or inimical to safe human habitation, such use is dangerous and injurious to the health, safety, and welfare of the people of this state and a public necessity exists for the repair of such condition or the cessation of such use which renders the adjacent real estate unsafe or inimical to safe human habitation. Whenever the governing authority of any county or municipality of this state finds that there exist in such county or municipality dwellings, buildings, or structures which are unfit for human habitation or for commercial, industrial, or business uses due to dilapidation and not in compliance with applicable codes; which have defects increasing the hazards of fire, accidents, or other calamities; which lack adequate ventilation, light, or sanitary facilities; or where other conditions exist rendering such dwellings, buildings, or structures unsafe or unsanitary, or dangerous or detrimental to the health, safety, or welfare, or otherwise inimical to the welfare of the residents of such county or municipality, or vacant, dilapidated dwellings, buildings, or structures in which drug crimes are being committed, power is conferred upon such county or municipality to exercise its police power to repair, close, or demolish the aforesaid dwellings, buildings, or structures in the manner provided in this Code section and Code Sections 41-2-8 through 41-2-17.

(b) All the provisions of this Code section and Code Sections 41-2-8 through 41-2-17 including method and procedure may also be applied to private property where there exists an endangerment to the public health or safety as a result of unsanitary or unsafe conditions to those persons residing or working in the vicinity. A finding by any governmental health department, health officer, or building inspector that such property is a health or safety hazard shall constitute prima-facie evidence that said property is in violation of this Code section and Code Sections 41-2-8 through 41-2-17.

(c) The exercise of the powers conferred upon counties in this Code section and in Code Sections 41-2-8 through 41-2-17 shall be limited to properties located in the unincorporated areas of such counties.”

(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

Affordable Rents Definition: Although Clayton County has no intention to use its NSP grant funds or NSP Program Income for rental properties, for the purposes of the NSP, Clayton County defines Affordable Rents as the Fair Market Rents published annually by HUD for the Housing Choice Voucher Program [formerly known as the Section 8 Program].

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

Clayton County will ensure the continued affordability of NSP assisted housing by incorporating the use of Promissory Notes and Deeds to Secure Debt which contain recapture clauses and possibly the use of shared-equity loans.

Acquire/Rehabilitate/Sell Foreclosed Vacant Single-Family Housing

Loans to Developers/Asset Management Entities

The County will make loans from the NSP grant and/or Program Income funds to developers/asset management entities which will purchase and rehabilitate foreclosed single-family housing located in Clayton County’s designated areas of greatest need. Promissory notes and deeds to secure debt will be used for these loans to developers/asset management entities to protect the affordability of the properties.

Loans to Homebuyers

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Homebuyers who purchase homes which have been purchased/rehabilitated with NSP grant or Program Income funds from developers/asset management entities may receive “soft second” loans from the Clayton County NSP. The amount of the “soft second” for each homebuyer will be determined by the loan underwriting process carried out by the Clayton County Community Development Program. The NSP homebuyer loans will be secured by promissory notes and deeds, which specify that the amount of the investment of NSP funds is secured by 0% loans to be repaid to Clayton County if the homes are sold during the 15 year loan term.

Clayton County may also make Downpayment Assistance loans to the NSP homebuyers from NSP grant or Program Income funds [homebuyers between 81%-120% AMI] or from HOME Program or ADDI funds [homebuyers at \leq 80% AMI]. The 0% Downpayment Assistance loans do not require repayment unless the homes are sold before the end of a five (5) year loan term. If the home is sold before the end of the five-year period, Downpayment Assistance funds are repaid to Clayton County.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

Clayton County will use as its NSP Rehabilitation Standards its HOME Program Property Standards, which use the Georgia Uniform Code Act [ICC building Code, National Electrical Code, etc.], as implemented through the Clayton County Housing Rehabilitation Standards.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: at least \$2,433,031.50.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

Clayton County will use 25% of its NSP allocation [at least \$2,433,031.50] plus 25% of any program income received to purchase and redevelop abandoned or foreclosed upon homes or residential properties which will house individuals or families whose incomes do not exceed 50 percent of area median income.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., \leq 80% of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., \leq 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.

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- 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).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

Clayton County expects to convert and demolish **no** (0) low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

Affordable housing constructed to replace the demolished units will be:

Housing units expected to be made available to households ≤ 120% of area median income. Not applicable – No demolitions.

Housing units expected to be made available to households ≤ 80% of area median income. Not applicable – No demolitions.

Housing units made available to households ≤ 50% of area median income. Not applicable – No demolitions.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

All comments received during the 15-day public comment period will be included in the documentation submitted to HUD.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **Purchase/Rehabilitate Foreclosed Single-Family Housing**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use:

Purchase and Rehabilitation

Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. [HERA, Sec 2301(c)(3)(B)] – NSP Type B

CDBG Eligible Use

Acquisition [24 CFR 570.201]

Disposition [24 CFR 570.201]

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Rehabilitation [24 CFR 570.202]
Direct Homeownership Assistance [24 CFR 570.201]
Activity delivery costs for eligible activities defined in 24 CFR 570.206.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., \leq 120% of area median income).

Benefit to low-, moderate-, middle income i.e., \leq 120% of area median income).

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: July 30, 2013

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Clayton County Housing and Community Development Program
[Under Supervision of the Clayton County Finance Department]
148 Courthouse Street
Jonesboro, GA 30236-3600
Director: W. Lance Crawford
Telephone: (770) 210-5208
FAX: (770) 210-5215
Email: wlcrawford@bellsouth.net

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Clayton County will focus the activity in Census Tracts/Block Groups which were identified by HUD as possessing a high risk for foreclosure or abandonment. See Page 2, Item A, and Table 1, Page 3, and Map 1, Page 6.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Response

The Clayton County designated “areas of greatest need” [see Table 1, Page 3, and see Map 1, Page 6] represent the Census Tracts/Block Groups with the high number of foreclosures, with the highest numbers of subprime loans, and which have the greatest risk of foreclosure and abandonment.

All homes assisted with NSP funds or NSP Program Income will be offered for sale to NSP-eligible households at affordable purchase prices with affordable fixed rate primary mortgages, with potential NSP financed “soft second” loans, and with potential Downpayment assistance provided from grant or Program Income funds from NSP, or from the HOME Program, or from the American Dream Downpayment Initiative [as determined by the household incomes of the homebuyers].

Through its grants management and oversight processes, Clayton County will ensure that at least 25% of the NSP funds expended will provide homeownership opportunities to homebuyers with incomes \leq 50% AMI.

This activity will provide homeownership for the number of families identified in Item “J. Performance Measures.”

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For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
Response: homeownership, only, no rental
- duration or term of assistance;
Response: “Soft-second” mortgages =15 year term/0% interest
- a description of how the design of the activity will ensure continued affordability.
Response: “Soft-second” mortgages will be secured by Promissory Notes and Deeds to Secure Debt which will require repayment of the NSP grant or Program Income funds if the properties are sold or ownership transferred during the loan term.

For acquisition activities, include:

- discount rate
Response: Minimum 15% on the purchase of any and all individual foreclosed single-family homes or fee-simple townhomes.

For financing activities, include:

- range of interest rates
Response: NSP “soft second” loans and Downpayment Assistance to homebuyers will be made at 0% interest.

G. NSP INFORMATION BY ACTIVITY

(1) Activity Name: **Financial Mechanisms**

(2) Activity Type

NSP Eligible Use:

Make available financial mechanisms that facilitate the purchase and redevelopment of foreclosed upon homes and residential properties to include soft seconds and downpayment assistance.

CDBG Eligible Use:

Disposition [24 CFR 570.201]

Direct Homeownership Assistance [24 CFR 570.201]

Activity delivery costs for eligible activities defined in 24 CFR 570.206

(3) National Objective:

Activity benefit is 100% for low, moderate, and middle income persons below 120% of area median income as defined by NSP regulations.

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: July 30, 2013

(6) Responsible Organization:

Clayton County Housing and Community Development Program

[Under Supervision of the Clayton County Finance Department]

148 Courthouse Street

Jonesboro, GA 30236-3600

Director: W. Lance Crawford

Telephone: (770) 210-5208

FAX: (770)210-5215

Email: wlcrawford@bellsouth.net

(7) Location Description:

Clayton County will focus this activity in census tract block groups in the county which HUD identified as high foreclosure and high risk for foreclosure areas/areas of greatest need. These areas encompass nearly the entire county (see map on page 6).

(8) Activity Description:

All homes assisted with NSP funds or NSP program income will be offered for sale to NSP-eligible households at affordable prices and affordable fixed rate primary mortgages. NSP financed “soft second” loans and/or downpayment assistance will also be provided (based on the affordability needs of the individual households involved) through NSP funding of HOME/ADDI funding. At least 25% of the households assisted will have incomes of no more than 50% of area median income. Tenure of beneficiaries will be homeownership but if houses cannot be sold within a reasonable period of time, rental opportunities may be offered out of necessity. Soft second loans will have a 15 year term with 0% interest and will be secured by promissory notes and deeds to secure debt. Funds will be recaptured if properties are sold or if ownership is transferred during the loan term. Downpayment assistance will also be provided through a deferred loan but will have an affordability period of 5 years.

Budget: Financial Mechanisms

Total Estimated NSP funding- \$600,000

Performance Measures: Financial Mechanisms

Households (50% or under AMI)	15(est.)
Households (51%-80% AMI)	5(est.)
Households (81%-120% AMI)	10(est.)
Total Households	30(est.)

Note: Budget and performance measures figures do not reflect program income anticipated to be generated. Program income is expected to be used proportionally for the same purposes, however.

I. Total Budget: (Include public and private components)

Response:

[Budget – Entire 5 Year Period]

Grant Amount Requested From HUD – All Activities/Administration \$9,732,126

Projected Activity Revenue:

NSP Grant Funds	\$ 8,758,914
Estimated Program Income from NSP Loans [58 loans @ \$100,000]	\$ 5,800,000
Estimated Private Funds [1st Mortgages] [58 loans at \$100,000]	<u>\$ 5,800,000</u>
	\$20,358,914

Note: The Estimated Private Funds generate the Estimated Program Income

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Project Activity Expenditures:

Public Funds [NSP Grant – Purchase/Rehab Costs] [58 Units]	\$ 8,758,914
Public Funds [NSP Est. Program Income Purchase/Rehab Costs] [25 Units]	\$ 5,800,000
*Private Funds [58 mortgage loans at \$100,000]	<u>\$ 5,800,000</u>
Total	\$20,358,914

*Note: Private Funds from 58 mortgages will generate estimated \$5,800,000 in Program Income which is budgeted for this activity.

*Note: 25% of NSP grant funds [\$2,433,013.50] plus 25% of estimated Program Income [\$1,450,000] will be expended to purchase/rehabilitate and sell affordable single-family housing to homebuyers with total household income which does not exceed 50% of Area Median Income. This investment will fund housing units.

Administration Budget

Program Adm. Costs [10% of NSP Grant – 5 Year Budget]	\$ 973,212
Program Adm. Costs [10% of Est. Program Income– 5 Year Budget]	\$ <u>580,000</u>
Total Activity Administration Budget [5 Year Budget]	\$ 1, 553,212

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

Response:

Acquisition of Foreclosed Single-Family Homes/Townhomes	83 units
Rehabilitation of Foreclosed Single-Family Homes/Townhomes	83 units

Sale of Acquired/Rehabilitated Foreclosed Single-Family Homes/Townhomes:

Sale to NSP-eligible homebuyers [incomes between 81% & 120% AMI]	50 Units
Sale to NSP-eligible homebuyers [incomes between 51% & 80% AMI]	7 Units
Sale to NSP-eligible homebuyers [incomes \leq 50% AMI]	<u>26 Units</u>
Total Units – NSP [Acquire/Rehab/Sell]	83

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction 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-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** 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.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction 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.
- (6) **Section 3.** The jurisdiction 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.
- (7) **Citizen Participation.** The jurisdiction 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.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement 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.
- (11) **Assessments.** 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

Clayton County, Georgia – NSP Substantial Amendment – Action Plan 2008

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: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) 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 non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** 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 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 will comply with applicable laws.

Signature/Authorized Official

Date

Title

Clayton County, Georgia – NSP Substantial Amendment – Action Plan 2008

PUBLIC NOTICE
CLAYTON COUNTY HOUSING AND COMMUNITY DEVELOPMENT PROGRAM
PROPOSED CONSOLIDATED PLAN AMENDMENT
ACTION PLAN 2008
NEW PROGRAM ADDITION: NEIGHBORHOOD STABILIZATION PROGRAM [NSP]
PUBLICATION DATE: OCTOBER 31, 2008
PUBLISH IN: *CLAYTON NEWS DAILY*

Public comments are invited on a proposed amendment to Clayton County Action Plan 2008.

The Clayton County Board of Commissioners will consider the proposed amendment on **November 18, 2008** at 7:00 P.M. in the Clayton County Administration Building, 1st Floor Auditorium, 112 Smith Street, Jonesboro, GA 30236.

Written comments on the proposed amendment should be mailed to: Clayton County Housing and Community Development Program, 148 Courthouse Street, Jonesboro, GA 30236-3600, sent by FAX [770-210-5215] or sent by email to c_johnq@bellsouth.net. All written comments **MUST BE RECEIVED** by the Clayton County Housing and Community Development Program by **5:00 P.M. local time, November 14, 2008**. The public comment period for the NSP Period is 15 days, as specified in the rules governing the NSP.

The entire proposed amendment is available for review at the Clayton County Website: www.co.clayton.ga.us. After completion, the Final Amendment to Action Plan 2008 will also be posted at www.co.clayton.ga.us.

Contact the Clayton County Housing and Community Development Program with questions or comments: Telephone: 770-210-5208; FAX 770-210-5215; email: c_johnq@bellsouth.net

PROPOSED AMENDMENTS
NEW: NEIGHBORHOOD STABILIZATION PROGRAM

ACTION PLAN 2008

The U.S. Department of Housing and Urban Development has announced the allocation of funding to Clayton County from the Neighborhood Stabilization Program [NSP] totaling \$9,732,126. The funding for the NSP is provided through the Housing and Economic Recovery Act of 2008 [HERA]. The intent of NSP is to assist localities which are suffering from residential foreclosures and the negative impact the foreclosures have on their neighborhoods.

Clayton County invites comments, herein, on its proposed uses of the NSP funds and any Program Income generated from the use of NSP grant funds.

HUD requires that localities receiving NSP funds direct the funds to the “areas of greatest need,” which includes areas with the greatest percentages of home foreclosures, with the highest percentage of homes financed with subprime loans, and which are likely to face a significant rise in the rate of home foreclosures.

Area of Greatest Need

Clayton County proposes to direct its investment of NSP funds to the Census Tracts/Block Groups depicted on Map 1, which were identified in data received from HUD depicting areas with high risks for foreclosures. Further detailed targeting will occur, using actual foreclosure data for the Year 2008, when available.

Public comments received will be included in the application package submitted to HUD and will be provided to the Board of Commissioners prior to their action on November 18, 2008.

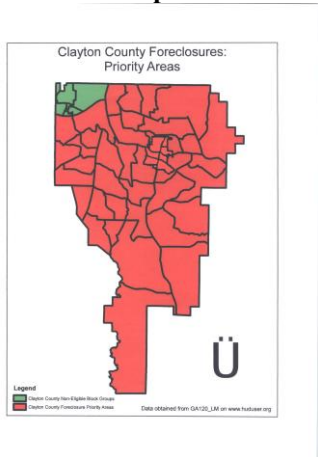
Clayton County must submit its application to HUD for NSP funds not later than December 1, 2008.

The program is expected to begin operation in early 2009, upon receipt of the actual award of NSP funds from the U.S. Department of Housing and Urban Development [HUD].

Clayton County, Georgia – NSP Substantial Amendment – Action Plan 2008

The Housing and Economic Recovery Act of 2008 [HERA] prohibits the use of NSP funds for any type of foreclosure prevention activity.

Map 1



Substantial Amendment Map Revised 5/27/10

Types of Activities Proposed

The NSP funds are proposed to fund repayable loans to developers/asset management entities which will purchase and rehabilitate vacant foreclosed single-family detached homes or fee-simple townhomes for sale to homebuyers whose incomes do not exceed 120% Area Median Income. The homes must be located in the Census Tracts/Block Groups depicted on Map 1. At least 25% of the NSP funds and program income received must be expended to acquire/rehabilitate housing units which are sold to households with incomes which do not exceed 50% Area Median Income. Homebuyers must qualify for primary mortgage to purchase NSP-assisted properties, and may qualify for “soft second” mortgages and/or Downpayment Assistance.

Total proposed NSP grant funding:	\$ 8,758,914
Total Estimated Program Income [from loan repayments]	<u>\$ 5,800,000</u>
Total Revenues	\$14,558,914
Total proposed project expenditures	\$14,558,914
Total proposed program administration [10% from Grant]	\$ 973,212
Total proposed program administration [10% from Est. Program Income]	<u>\$ 580,000</u>
Total NSP Budget [Grant & Program Income	\$16,112,126

Total Proposed Numbers of Homes - Purchase/Rehabilitate/Sell to households not to exceed 120% Area Median Income	83
Total Proposed Numbers of Homes - Purchase/Rehabilitate/Sell to households not to exceed 50% of Area Median Income	26

***AMERICANS WITH DISABILITIES ACT OF 1990, AS AMENDED [ADA]
AND SECTION 504 ACCOMMODATIONS STATEMENT***

Clayton County does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs or activities. Any requests for reasonable accommodations required by individuals to fully participate in any open meeting, program or activity of the Clayton County Housing and Community Development Program, 148 Courthouse Street, Jonesboro, GA 30236-3600, sent by FAX [770-210-5215] or sent by email to c_johnq@bellsouth.net.

Insert Public Comments Received

**CITIZEN REVIEW COMMENT FORM
CLAYTON COUNTY, GEORGIA
PROPOSED AMENDED ACTION PLAN 2008
PUBLIC COMMENT PERIOD: 10/31/2008 – 11/14/2008**

COMMENTS:

Page 1 of 1

Southern Crescent Habitat for Humanity applauds Clayton County for focusing NSP funds on the high impact activity of acquisition and rehabilitation of foreclosed homes. SCHFH's work in this community for the past 20 years validates national research indicating that successful homeownership at all economic levels has a high correlation to stable families, more successful children and stronger communities in general.

Southern Crescent Habitat for Humanity has a proven program for creating opportunities for successful homeownership for responsible low-income families. We build successful homeowners through a process of education and mentoring, plus a requirement to contribute 250 hours of sweat equity helping others as well as helping build their own home. Families who complete our program are strongly invested in their community. We have a greater than 95% success rate of families maintaining homeownership.

SCHFH is uniquely qualified to implement those aspects of Clayton County's NSP plan that provide homeownership opportunities for families with incomes that do not exceed 50% Area Median Income. Additionally, we believe there are aspects of our program that could be leveraged in such a way as to positively impact the homeownership success rate for families with incomes ranging from 50% - 120%, the maximum allowed under NSP. Southern Crescent Habitat for Humanity welcomes the opportunity to contribute to the effort to build strong families and strong communities throughout Clayton County.

Brenda Rayburn, Chief Operating Officer
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habitat4humanity@bellsouth.net