



**DeKalb County
Neighborhood Stabilization Program**

HUD's Neighborhood Stabilization Program (NSP) will assist DeKalb County's current efforts to stabilize and preserve communities most devastated by foreclosure. NSP funds must be used to address properties that have been abandoned or foreclosed upon (i.e. bank owned or REO inventories, HUD, VA, FHA, Fannie Mae, and Freddie Mac). NSP funds cannot be used to acquire homes from current owners. Abandoned properties must be vacant for 90 days with no payments of mortgages or taxes for 90 days. DeKalb County was allocated \$18.545M by HUD.

What types of properties are eligible?

While foreclosure has been a huge County-wide problem, funds will be used to purchase and rehabilitate single-family homes and multi-family properties that have been abandoned or foreclosed upon in order to sell, rent, or redevelop such properties.

How will target areas be selected?

The County uses the data from HUD for each of the three (3) funding allocation criteria areas and then grouped into (5) five categories for ranking. Next, the area was then divided into five (5) priority tiers as displayed on the reverse side in the Areas of Greatest Need. Based on our analysis of the five tiers, we have concluded that the areas of greatest needs in DeKalb are those areas located in Tiers 1 through 4. Tier 1 will be our first priority.

What are the County's strategies of implementing NSP?

Request For Proposals (RFP) — On March, 2009 the County issued two Request for Proposals (RFP) with responses due by April 6 and April 13, 2009. The County will select successful bidder(s) allowing housing partners to acquire and rehabilitate foreclosed/or abandoned properties in summer of 2009.

Applications – NSP funds for Special Populations – Non-profit agencies will implement NSP activities for 50% AMI. Deadline for submission was April 17, 2009. Recommendations for agency approval is summer 2009.

NSP funds for Multi-family projects - Developers need to have access to leveraged funds. The targeted population is mixed income up to 120% of AMI. Deadline for application submission is April 30, 2009. Recommendations for awards will be in summer 2009.

Sale of NSP Properties — Single family properties will be offered for sale to income eligible persons. The properties will be offered for sale by the successful bidder of the RFP as affordable housing partners. In addition, the successful bidder of the RFP will maintain a list of the available NSP properties.

Long-Term Affordability Period —

- Homebuyers must occupy the properties as their primary residence.
- Depending on the total federal investment, the NSP affordability period may range from 5 to 15 years for homeowners. NSP recapture or resale requirements are through promissory notes, homebuyer's agreements or recorded security deeds which will be required for all homebuyers to ensure the properties are occupied as the principal residence.
- Termination of the homebuyer's agreement prior to completing the affordability period could result in repayment of a portion or all of the deferred loan funds. **No flipping of houses is allowed.**

Key Points to Consider —

- The homebuyers must qualify for mortgage financing (loan) in order to purchase a home.
- The loan may not be secured by sub-prime loans.
- Debt-to-income ratio will be important. Buyers may not have excessive debt.

Property Standards - The properties must be rehabilitated to meet the housing code and NSP rehabilitation standards.

When do we anticipate having homes available for consumers?

- The first homes could be available as early as late summer of 2009.

What are the anticipated financing mechanisms?

The County may provide NSP funded soft second, hard, or gap financing loans and will permit layering of multiple subsidies such as the down payment assistance programs.

What are the NSP income limits?

2009 Income Limits

HH Size	1	2	3	4	5
50% AMI	\$25,100	\$28,700	\$32,250	\$35,850	\$38,700
120% AMI	\$60,250	\$68,850	\$77,450	\$86,050	\$92,900

Note: 25% of the NSP funds must be used to provide affordable housing for very low-income families with incomes at or below 50% of the area median income (AMI). These funds will be used to provide affordable single family and multi-family rental units or for sale properties targeted to very low income families.

Where can I find more information about DeKalb County NSP?

The Community Development Department Web site at: <http://www.co.dekalb.ga.us/commdev/index.htm> The website is updated, as additional information is available. Written request for information should be emailed to the Mr. Barry Williams at bbwilliams1@co.dekalb.ga.us. (8/5/2009)

