

GWINNETT COUNTY, GEORGIA
NSP GRANT SUBMISSION TEMPLATE
& CHECKLIST

(UPDATED BY HUD 10.21.08)

Amendment 1 - 8-4-2009

Amendment 2 – 10-19-2010

Amendment 3 – 06-5-12

- (1) The NSP Substantial Amendment
 - Amendment 1 – Bold Type
 - Amendment 2 – Bold Italic Type*
 - Amendment 3 - Blue
- (2) Signed and Dated SF-424.
- (3) Signed and Dated NSP Certifications
- (4) NSP Substantial Amendment Checklist

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>Gwinnett County, GA</u> (<i>identify lead entity in case of joint agreements</i>) Community Development Program [Department of Financial Services] Jurisdiction Web Address: <u>www.gwinnettcounty.com</u> (<i>URL where NSP Substantial Amendment materials are posted</i>)	NSP Contact Person: <u>Bill Kingsbury, Director</u> Address: <u>Gwinnett County Neighborhood Stabilization Program</u> One Justice Square 446 W. Crogan Street, Suite 275 Lawrenceville, GA 30046 Telephone: <u>(678) 518-6024</u> Fax: <u>(678) 518-6072</u> Email: <u>nsp@gwinnettcounty.com</u>
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NSP Grant Amount Awarded By HUD

\$10,507,827

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 Gwinnett County

Gwinnett County is using, initially, the HUD-provided foreclosure and abandonment risk score to identify the areas within Gwinnett 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.

Gwinnett County has determined that all Census Tracts with foreclosure and abandonment risk scores of 5 and higher are included as “areas of greatest need.” These Census Tracts are presented in the Table 1, Page 4, and are depicted graphically on Map 1, Page 13.

[Revision 12/30/08, in response to HUD review comments sent 12/24/08 and 12/29/08]

Initially, Gwinnett County planned to use information obtained from tax records to identify/locate residential foreclosures. However, recent investigations have determined that data sources such as FMLS help augment these data. The information obtained from the Tax Commissioner’s staff was interesting but somewhat limiting as it only reflected foreclosure filings, but information from the Georgia Department of Community Affairs and from

commercial sources such as FMLS will be used to help supplement the foreclosure risk areas identified by HUD, thereby documenting the actual incidences of foreclosures as well the concentrations of sub-prime mortgage loans. Local tax data is being used to supplement these types of information. Inventories of foreclosed residential properties will be overlain onto the areas with sub-prime mortgage concentrations to magnify the impact of moving these foreclosed vacant properties back into homeownership.

Gwinnett County is eligible to receive NSP funds directly from HUD and from the Georgia Department of Community Affairs. The County will work with DCA and other public and private data sources, to obtain additional information on the geographic distribution of sub-prime mortgage loans.

Gwinnett County will use NSP funds to acquire/rehabilitate ~~foreclosed~~ residential properties as permitted by HUD in the areas where sub-prime mortgage loans have been concentrated. The investment of NSP funds in areas with high concentrations of sub-prime loans will be combined with affordable fixed rate private mortgages which are determined not be sub-prime financial instruments. (Amendment 3 – 6-5-12)

Homebuyers and homeowners who live in areas with high concentrations of sub-prime mortgages will be encouraged to take advantage of housing counseling services made available to residents of the County and which help these homeowners understand the home buying and mortgage financing processes.

Amendment 1 - 8-4-2009

Amendment to Types of Activities

In the original description for the use of NSP funds by Gwinnett County, only single-family foreclosed homes were identified as structures for which NSP grant funds and NSP program income would be used by Gwinnett County. Under the proposed amendment, NSP grant funds will also be loaned to a private organization to acquire and rehabilitate at least one multi-family rental project, wherein the non-profit owner has rendered deeds in-lieu-of foreclosure to its lender. After the acquisition/rehabilitation, the 92 unit apartment project will continue to provide affordable rental housing for low and moderate income households who are NSP eligible. The proposed budget for this rental activity is an amount not to exceed \$3,000,000 of the \$9,457,044 NSP 1 grant project budget. The remaining \$6,457,044 in NSP 1 project grant funds will be used to acquire and rehabilitate, then sell foreclosed single-family homes to NSP eligible homebuyers, as approved by HUD in March 2009. Note: Georgia Department of Community Affairs [DCA] NSP 1 funds [an amount not to exceed \$1,000,000], awarded to Gwinnett County, will also be used for this project/eligible use.

Amendment 2 – 10-19-2010

In the original description for the use of NSP funds by Gwinnett County, only single-family foreclosed homes were identified as structures for which NSP grant funds and NSP program income would be used by Gwinnett County. Under the proposed amendment, NSP grant funds will also be loaned to a private organization to acquire and rehabilitate at least one multi-family rental project that has been foreclosed upon. After the acquisition/rehabilitation, the 92 unit apartment project will continue to provide affordable rental housing for low and moderate income households who are NSP eligible. The proposed budget for this rental activity is an amount not to exceed \$3,000,000 of the \$9,457,044 NSP 1 grant project budget. The remaining \$6,457,044 in NSP 1 project grant funds will be used to acquire and rehabilitate, then sell foreclosed single-family homes to NSP eligible homebuyers, as approved by HUD in March 2009. Note: Georgia Department of Community Affairs [DCA] NSP 1 funds [an amount not to exceed \$1,000,000], awarded to Gwinnett County, will also be used for this project/eligible use. NSP funds received from HUD will be used to acquire and rehabilitate 69 units and NSP funds received from Georgia DCA will be used to acquire and rehabilitate 23 units.

Amendment 3 06-5-12

In the original description for the use of NSP funds by Gwinnett County, only single-family foreclosed homes were identified as structures for which NSP grant funds and NSP program income would be used by Gwinnett County. Under the proposed amendment, NSP grant funds will also be loaned to organizations to acquire and/or rehabilitate multi-family rental projects, as permitted by HUD, to provide affordable rental housing for low and moderate income households who are NSP eligible.

Amendment 1 - 8-4-2009

This rental project is located in a Census Tract/Block Group [CT 503.13, BG 7] with a foreclosure risk score of 7, which was included as one of Gwinnett County’s Areas of Greatest Need, and the site is adjacent to Census Tracts/Block Groups with the highest ranking of great need [between 8 and 10 in HUD’s foreclosure/ abandonment index].

At least 25% of the NSP funds must be expended for housing units to be occupied by households with incomes not exceeding 50% of Area Median Income, as published by HUD.

Total Proposed Multi-Family Units - Purchase/Rehabilitate/Rent to NSP eligible households:	92 [New Activity]
Amended Single-Family Units – Purchase/Rehabilitate/Sell to NSP eligible households:	63 [Was 100]
[43 from NSP grant funds and 20 from estimated NSP program income]	

Amendment 2 - 10-19-2010

This rental project is located in a Census Tract/Block Group [CT 503.13, BG 7] with a foreclosure risk score of 7, which was included as one of Gwinnett County’s Areas of Greatest Need, and the site is adjacent to Census Tracts/Block Groups with the highest ranking of great need [between 8 and 10 in HUD’s foreclosure/ abandonment index].

At least 25% of the NSP funds must be expended for housing units to be occupied by households with incomes not exceeding 50% of Area Median Income, as published by HUD.

Total Proposed Multi-Family Units - Purchase/Rehabilitate/Rent to NSP eligible households:	92*
Amended Single-Family Units – Purchase/Rehabilitate/Sell to NSP eligible households:	63
[43 from NSP grant funds and 20 from estimated NSP program income]	

****Note: 69 units with HUD NSP funds; 23 units with DCA NSP funds.***

TABLE 1

Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050709	3	9
050709	4	9
050709	3	9
050709	4	9
050422	5	9
050422	5	9
050422	6	9
050716	1	9
050716	2	9
050716	3	9
050717	2	9
050717	1	9
050717	1	9
050717	2	9
050717	3	9
050105	2	9
050105	1	9
050105	2	9
050105	4	9
050105	2	9
050105	1	9
050105	4	9
050105	2	9
050105	1	9
050105	2	9
050522	6	9
050522	8	9
050417	1	9
050417	2	9
050522	8	9
050421	1	9
050421	1	9
050421	3	9
050416	1	8
050416	1	8
050416	3	8
050416	6	8

Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050518	3	8
050518	4	8
050518	6	8
050721	6	8
050721	7	8
050721	8	8
050721	6	8
050721	7	8
050721	8	8
050424	1	8
050424	2	8
050704	1	8
050704	1	8
050704	1	8
050704	3	8
050704	1	8
050704	2	8
050704	4	8
050704	1	8
050704	2	8
050704	3	8
050704	4	8
050418	1	8
050418	2	8
050507	3	8
050507	7	8
050719	4	8
050719	5	8
050719	4	8
050719	5	8
050515	2	8
050515	3	8
050515	4	8
050519	4	8
050519	5	8
050519	7	8
050520	1	8
050520	2	8
050520	2	8

Gwinnett County, Georgia – NSP Substantial Amendment – Action Plan 2008 – Amendment 2 – 10-19-2010

Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050507	2	8
050507	3	8
050507	7	8
050411	3	8
050411	4	8
050411	5	8
050411	6	8
050411	1	8
050411	3	8
050411	4	8
050411	6	8
050423	1	8
050423	3	8
050423	4	8
050312	1	8
050312	3	8
050312	4	8
050312	6	8
050312	1	8
050312	3	8
050312	4	8
050312	6	8
050520	1	8
050410	1	8
050410	4	8
050410	5	8
050410	1	8
050410	4	8
050410	5	8
050509	2	7
050509	1	7
050509	2	7
050509	4	7
050509	2	7
050509	3	7
050509	4	7
050509	1	7
050509	2	7
050509	3	7
050509	4	7

Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050419	1	7
050419	2	7
050419	5	7
050415	3	7
050415	6	7
050415	1	7
050415	2	7
050415	3	7
050415	6	7
050521	3	7
050521	4	7
050521	5	7
050512	1	7
050512	2	7
050512	1	7
050512	2	7
050512	3	7
050511	2	7
050511	1	7
050511	2	7
050511	1	7
050511	2	7
050516	1	7
050516	2	7
050516	5	7
050306	1	7
050306	1	7
050306	2	7
050316	1	7
050316	3	7
050316	4	7
050316	7	7
050705	1	7
050313	1	7
050313	2	7
050313	5	7
050313	7	7
050313	1	7

Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050313	2	7
050313	3	7
050313	4	7
050313	5	7
050313	7	7
050516	1	7
050516	2	7
050516	5	7
050103	2	7
050103	3	7
050103	4	7
050103	2	7
050103	3	7
050103	4	7
050103	2	7
050103	2	7
050103	3	7
050103	4	7
050430	3	7
050430	5	7
050430	2	7
050314	1	6
050314	2	6
050314	3	6
050314	4	6
050517	2	6
050517	1	6
050517	2	6
050517	3	6
050420	1	6
050420	2	6
050715	1	6
050715	1	6
050715	2	6
050705	1	6
050705	2	6
050705	2	6
050705	2	6
050705	1	6
050705	2	6
050705	1	6
050705	2	6

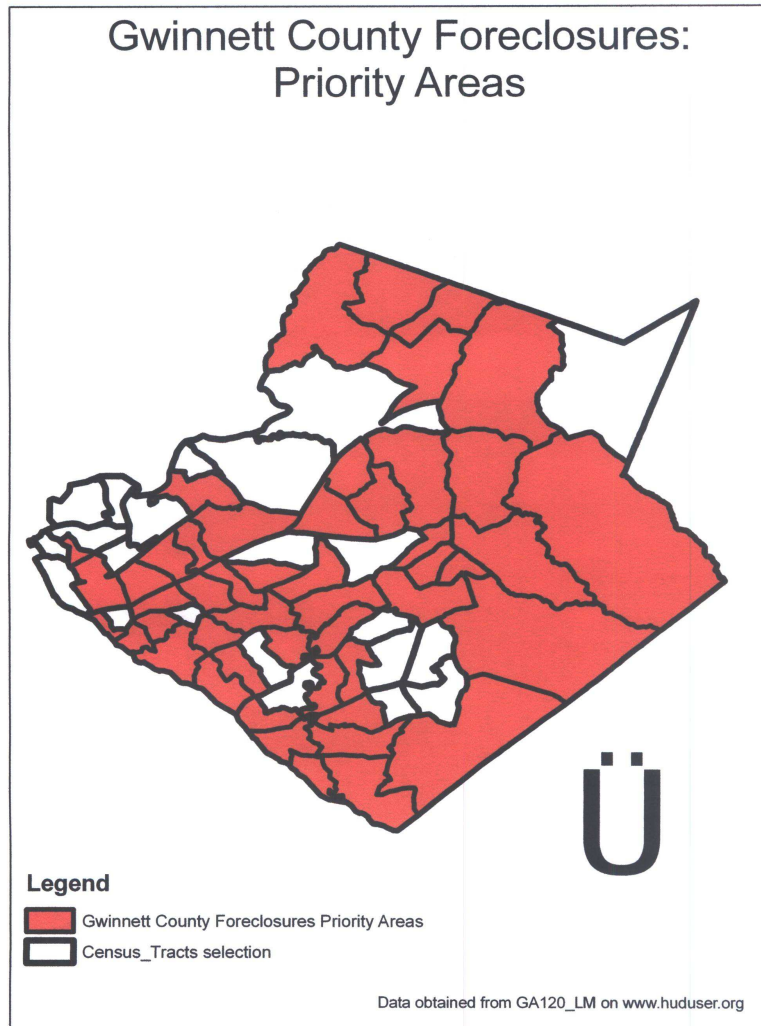
Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050705	1	6
050705	2	6
050513	3	6
050602	4	6
050602	3	6
050602	4	6
050602	3	6
050602	4	6
050602	5	6
050602	3	6
050602	4	6
050720	1	6
050720	3	6
050720	4	6
050720	1	6
050720	3	6
050720	4	6
050304	1	6
050304	2	6
050304	8	6
050514	2	6
050513	1	6
050513	1	6
050513	1	6
050513	1	6
050513	2	6
050513	3	6
050510	1	6
050510	1	6
050510	2	6
050510	3	6
050514	2	6
050514	2	6
050514	1	6
050514	2	6
050426	4	6
050426	4	6
050426	5	6
050426	6	6
050426	7	6
050426	8	6
050426	9	6
050426	4	6

Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050426	5	6
050427	1	6
050427	9	6
050427	1	6
050427	6	6
050427	9	6
050207	1	6
050207	1	6
050207	2	6
050207	3	6
050207	1	6
050207	2	6
050106	6	6
050106	7	6
050106	5	6
050106	6	6
050106	7	6
050106	5	6
050106	6	6
050106	7	6
050106	6	6
050106	7	6
050106	5	6
050106	6	6
050106	7	6
050403	1	5
050403	4	5
050403	9	5
050403	1	5
050403	2	5
050403	3	5
050403	4	5
050403	9	5
050429	4	5
050429	1	5
050429	7	5
050429	1	5
050429	4	5
050429	7	5
050603	1	5
050603	1	5
050429	4	5

Gwinnett County, Georgia – NSP Substantial Amendment – Action Plan 2008 – Amendment 2 – 10-19-2010

Census Tract	Census Block Group	HUD Estimated foreclosure abandonment risk score
050429	7	5
050603	1	5
050603	1	5
050603	1	5
050603	2	5
050603	1	5
050603	2	5
050425	1	5
050425	2	5
050425	3	5
050425	1	5
050425	3	5
050206	1	5
050206	1	5
050206	1	5
050206	1	5
050206	2	5
050206	3	5
050714	1	5
050714	2	5
050714	1	5
050714	2	5
050712	3	5
050712	1	5
050712	2	5
050712	3	5
050718	1	5
050718	2	5
050718	3	5
050718	1	5
050718	2	5
050718	3	5
050205	1	5
050205	1	5
050104	7	5
050104	6	5
050104	7	5
050104	6	5
050104	7	5
050104	6	5
050104	7	5
050104	6	5
050104	7	5

Map 1



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, Gwinnett County has been one of three (3) counties in Georgia with the highest numbers of foreclosures of single-family owner-occupied housing. As a result of the large number of foreclosures in Gwinnett 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. The **Priority One** use of NSP grant funds and NSP Program Income will be to purchase and rehabilitate foreclosed single-family housing [detached housing and fee-simple townhomes], as necessary to comply with the Gwinnett County NSP Rehabilitation Standards [the HOME Program Property Standards]. Gwinnett 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 Gwinnett 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 designated by Gwinnett County as “areas of greatest need” using HUD-supplied foreclosure and abandonment risk data, as updated using actual foreclosure data supplied by the Gwinnett County Tax Commissioner.

[Revision 12/30/08, in response to HUD review comments sent 12/24/08 - The data obtained from the Tax Commissioner was helpful but is not available in mappable formats consistent with Census boundaries. Information from the Georgia Department of Community Affairs and from other commercial sources such as FMLS, Realtytrac.com, and the Mortgage Bankers Association will be used to supplement the foreclosure risk areas identified by HUD, thereby documenting the actual incidences of foreclosures and the incidences of sub-prime mortgage loans. New maps will be generated upon the initiation of NSP operations in Gwinnett County, with the assistance of Gwinnett County GIS personnel, to present the latest available information on concentrations of foreclosed properties, as well as areas with concentrations of sub-prime mortgage loans.]

This targeting strategy for the **Priority One activity** 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 Gwinnett 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 [frequently referred to as Median Family Income] for Gwinnett 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:

[Original Substantial Amendment]

Table 2
NSP Maximum Income Limits – Gwinnett 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

[Amendment 1 - 8-4-2009]

HUD Income Limits Effective 3-19-2009

Table 2A
NSP Maximum Income Limits – Gwinnett County, Georgia

Household Size								
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
50%	\$25,100	\$28,700	\$32,250	\$35,850	\$38,700	\$41,600	\$44,450	\$47,300
80%	\$40,150	\$45,900	\$51,600	\$57,350	\$61,950	\$66,550	\$71,100	\$75,700
120%	\$60,250	\$68,850	\$77,450	\$86,050	\$92,900	\$99,800	\$106,700	\$113,550

[Amendment 2 - 10-19-2010]

HUD Income Limits Effective 5-14-2010

Table 2A
NSP Maximum Income Limits – Gwinnett County, Georgia

Household Size								
% AMI	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
50%	\$25,150	\$28,750	\$32,350	\$35,900	\$38,800	\$41,650	\$44,550	\$47,400
80%	\$40,250	\$46,000	\$51,750	\$57,450	\$62,050	\$66,650	\$71,250	\$75,850
120%	\$60,300	\$68,950	\$77,550	\$86,150	\$93,050	\$99,950	\$106,850	\$113,750

[Amendment 3 06-5-12]

HUD Income Limits will be dictated by the HUD requirements at the time the buyer applies for financial assistance.

Amendment 1 - 8-4-2009

Proposed Amendment to Types of Activities

In the original description for the Priority One use of NSP funds by Gwinnett County, only single-family foreclosed homes were identified as structures for which NSP funds and NSP program income would be used by Gwinnett County. Under the proposed amendment, a portion of the NSP grant funds will also be loaned to a private organization to acquire and rehabilitate at least one multi-family project, wherein the non-profit owner has rendered deeds in-lieu-of foreclosure to its lender. After this acquisition/rehabilitation the 92 unit apartment project will provide affordable rental housing for low and moderate income households. The proposed budget for this activity is an amount not to exceed

\$3,000,000 of the \$9,457,044 NSP 1 grant project budget. The remaining \$6,457,044 in NSP 1 project grant funds will be used to acquire/rehabilitate and sell foreclosed single-family homes to NSP eligible homebuyers, as approved by HUD in March 2009. Note: Georgia Department of Community Affairs [DCA] NSP 1 funds [an amount not to exceed \$1,000,000], awarded to Gwinnett County, will also be used for the acquisition/rehabilitation of the rental project.

This project is located in a Census Tract/Block Group with a foreclosure risk score of 7 [CT 503.13, GB 7].

At least 25% of the NSP funds must be expended for housing units to be occupied by households with incomes not exceeding 50% of Area Median Income, as published by HUD.

Total Multi-Family Units - Purchase/Rehabilitate/Rent to NSP eligible households:	92[New Activity]
Amended Single-Family Units – Purchase/Rehabilitate/Sell to NSP eligible households:	63 [Was 100]
[Units include 43 from NSP grant funds and 20 from estimated NSP program income]	

Amendment 2 - 10-19-2010

Amendment to Types of Activities

In the original description for the Priority One use of NSP funds by Gwinnett County, only single-family foreclosed homes were identified as structures for which NSP funds and NSP program income would be used by Gwinnett County. Under Amendment 1 or 8-4-2009, a portion of the NSP grant funds were loaned to a private organization to acquire and rehabilitate one multi-family project, that has been foreclosed upon. After this acquisition/rehabilitation, the 92-unit apartment project will provide affordable rental housing for low and moderate-income households. The proposed budget for this activity is an amount not to exceed \$3,000,000 of the \$9,457,044 NSP 1 grant project budget. The remaining \$6,457,044 in NSP 1 project grant funds will be used to acquire/rehabilitate and sell foreclosed single-family homes to NSP eligible homebuyers, as approved by HUD in March 2009. Note: Georgia Department of Community Affairs [DCA] NSP 1 funds [an amount not to exceed \$1,000,000], awarded to Gwinnett Count are being used for the acquisition/rehabilitation of the rental project. NSP funds received from HUD are being used to acquire and rehabilitate 69 of the 92 units and NSP funds from DCA are being used to acquire and rehabilitate 23 of the 92 units.

This project is located in a Census Tract/Block Group with a foreclosure risk score of 7 [CT 503.13, GB 7].

At least 25% of the NSP funds must be expended for housing units to be occupied by households with incomes not exceeding 50% of Area Median Income, as published by HUD.

Total Multi-Family Units - Purchase/Rehabilitate/Rent to NSP eligible households:	92*
Amended Single-Family Units – Purchase/Rehabilitate/Sell to NSP eligible households:	63
[Single-Family Units include 43 from NSP grant funds and 20 from estimated NSP program income]	

*Note: * 69 units from HUD NSP funds and 23 units from Georgia DCA NSP funds.*

Amendment 3 06-5-12

In the original description for the use of NSP funds by Gwinnett County, only single-family foreclosed homes were identified as structures for which NSP grant funds and NSP program income would be used by Gwinnett County. Under the proposed amendment, NSP grant funds will also be used to:

- Loans to organizations to acquire and/or rehabilitate multi-family rental project to provide affordable rental housing for low and moderate income households, including lease-purchases.
 - Provide funds to organizations to establish revolving loan funds or similar programs to provide affordable housing for those whose income is no greater than 50% of the Area Median Income.
2. A **Priority Two activity** will be the use of NSP Grant or NSP Program Income funds to acquire foreclosed real property onto which new affordable housing will be constructed using private, and/or NSP, and/or HOME Program funds. This housing will be sold to households with total household incomes which are not greater than 120% of the Area Median Income for Gwinnett County [See Table 2, above.]. If HOME Program funds are used for construction costs or if HOME Program or ADDI funds are used to provide downpayment assistance to the homebuyers, the maximum income of these homebuyers would be capped at 80% AMI. This has been classified by HUD as a “Type E” activity under the rules of the NSP.

At least 25% of the NSP funds must be expended for housing units to be occupied by households with incomes not exceeding 50% of Area Median Income, as published by HUD.

The foreclosed real property purchased must be located in Census Tracts designated by Gwinnett County as “areas of greatest need” using HUD-supplied foreclosure and abandonment risk data, as updated using actual foreclosure data supplied by the Gwinnett County Tax Commissioner.

[Revision 12/30/08, in response to HUD review comments sent 12/24/08 and 12/29/08 - The data obtained from the Tax Commissioner was helpful but is not available in mappable formats consistent with Census boundaries. Information from the Georgia Department of Community Affairs and from commercial sources such as FMLS, Realtytrac.com, and the Mortgage Bankers Association will be used to supplement the foreclosure risk areas identified by HUD, thereby documenting the actual incidences of foreclosures and the incidences of sub-prime mortgage loans. New maps will be generated upon the initiation of NSP operations in Gwinnett County, with the assistance of Gwinnett County GIS personnel, to present the latest available information on concentrations of foreclosed properties, as well as areas with concentrations of sub-prime mortgage loans.]

This targeting strategy for the **Priority Two activity** will ensure that the NSP Program Income is 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 Gwinnett County as likely to face a significant rise in the rate of home foreclosures.

[Revision 12/30/08, in response to HUD review comments sent 12/24/08 and 12/29/08]

No changes for this activity in Amendment 1 of 8-4-2009 or Amendment 2 of 10-19-2010.

General Strategy

[Original NSP Substantive Amendment]

Gwinnett County has directed its NSP funding toward homeownership because foreclosed residential homeownership properties predominate among foreclosures in the County. Although converting foreclosures previously occupied by homeowners to rental property may represent a strategy which is appropriate for some localities to ensure that 25% of their NSP funds are expended to benefit households at 50% Area Median Income [AMI], Gwinnett County remains committed to returning foreclosed properties to affordable homeownership for all qualifying households, including those at 50% AMI. The County will provide financial support for this process through the purchase of the most affordable properties and through the use of “soft second” deferred payment mortgages and through the use of downpayment assistance. Gwinnett County Habitat for Humanity and other non-profit providers of affordable housing, will be invited to participate in NSP to help make this goal achievable.

Gwinnett County will monitor the progress toward meeting the 25% investment requirement as a part of its monthly and quarterly progress assessment process. Adjustments will be made in program design, including the investment of NSP funds or program income in rental housing if the homeownership model is not achieving its performance goals.

Gwinnett County proposes one primary use of its NSP funds and Program Income: Acquire and Rehabilitate Foreclosed Single-Family Housing for Sale to Qualifying Homebuyers. Ten percent [10%] of the grant and program income funds will be used by Gwinnett County to administer its NSP.

A secondary use of NSP Program Income, if available, will be the acquisition of foreclosed residential property onto which affordable single-family housing will be constructed.

The County recognizes that focusing its NSP grant funds on one activity may pose a higher potential risk than some types of NSP eligible activities; however, the NSP rules instruct recipients of NSP funds to address their “areas of greatest need.” In Gwinnett County the “areas of greatest need” are both geographic and programmatic. Geographic areas are those with the highest numbers and percentages of foreclosures, those with the greatest concentrations of sub-prime loans, and the areas with the greatest problems with mortgage delinquencies. Programmatic “areas of greatest need” in Gwinnett County are the vast number of foreclosed residential properties previously occupied by homeowners. The County has chosen to address this programmatic need by maximizing the use of NSP funds to help return stability to neighborhoods through the most effective mechanism: owner occupied housing financed with affordable and fair financing instruments.

[Amendment 1 - 8-4-2009]

The General Strategy has been amended to also include the acquisition and rehabilitation of a 92 unit multi-family rental project wherein the non-profit owner has rendered deeds in-lieu-of foreclosure to its lender. This rental project is located in a Census Tract/Block Group with a foreclosure/abandonment risk score of 7 out of a total possible 10, and is adjacent to Census Tracts/Block Groups with foreclosure/abandonment risk scores between 8 and 10; therefore, adding this affordable housing rental project to the General Strategy is consistent with the Gwinnett County NSP targeting strategy.

Upon completion of the rehabilitation of these apartment units, a portion of the apartments will be rented to households with incomes not exceeding 50% AMI. The actual number of 50% AMI households had not been finalized at the time of the preparation of this Amendment.

[Amendment 2 - 10-19-2010]

The General Strategy has been amended to include the acquisition and rehabilitation of a 92-unit multi-family rental project that has been foreclosed. This rental project is located in a Census Tract/Block Group with a foreclosure/abandonment risk score of 7 out of a total possible 10, and is adjacent to Census Tracts/Block Groups

with foreclosure/abandonment risk scores between 8 and 10, Therefore, adding this affordable housing rental project to the General Strategy is consistent with the Gwinnett County NSP targeting strategy.

Upon completion of the rehabilitation of these apartment units, a portion of the apartments will be rented to households with incomes not exceeding 50% AMI. The actual number of 50% AMI households is at least 78, 55 with HUD NSP funds and 23 from DCA NSP funds. Fourteen (14) of the units will be available for rent by households with total income above 50% AMI and not exceeding 120% of AMI.

Amendment 3 06-5-12

In the original description for the use of NSP funds by Gwinnett County, only single-family foreclosed homes were identified as structures for which NSP grant funds and NSP program income would be used by Gwinnett County. Under the proposed amendment, NSP grant funds will also be loaned to organizations to acquire and/or rehabilitate multi-family rental project to provide affordable housing for those whose income is no greater than 50% of the Area Median Income includes foreclosed and non-foreclosed properties.

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

The Gwinnett County Construction Code does not use the term “blighted structure,” but does define “Unsafe Buildings” under Section 1.02.5. Gwinnett County will use this “Unsafe Buildings” definition from its Construction Code as its “blighted structure” definition for the NSP:

“102.5. Unsafe Buildings or Systems

All buildings, structures, or electrical, gas, mechanical, energy conservation and plumbing systems which are unsafe, unsanitary, or do not provide adequate egress, or which constitute a fire hazards, or are other dangerous to human life, or which in relation to existing use, constitute a hazard to safety or health, are consider unsafe buildings or service systems. All such unsafe buildings, structures, energy conservation or service systems are hereby declared illegal and shall be abated by repair and rehabilitation or by demolition in accordance with the provisions of the Gwinnett County Unfit Building Abatement Code found at 42-26 of the Gwinnett County Code or Ordinances.”

“Section 42-26 [Abatement] of the Gwinnett County Code of Ordinances:

Where it is determined that there exists in the county dwelling or other building or structure which is unfit for human habitation or for commercial industrial, or business occupancy or use, or where there exists in the county a condition or use of real estate which renders adjacent real estate unsafe or inimical to safe human habitation; and where such determination is made by the director of the department of planning and development or his designated enforcement official, such official shall have the power to have repaired, closed or demolished any such dwelling, building or structure, or cause to be abated if any such unsafe or unsanitary conditions which create a public health hazard or general nuisance in accordance with the provision of O.C.G.A. [Official Code of Georgia, Annotated] Sections 41-2-7 through 41-2-17, where are hereby adopted and incorporated by reference within this section. [Code 1978, Section 9-1009).”

“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 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 Gwinnett County has no intention to use its NSP grant funds or NSP Program Income for rental properties, for the purposes of the NSP Program, Gwinnett 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:

Gwinnett 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
[Priority One Activity]

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, as allowed by HUD, located in Gwinnett 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. (Amendment 3 06-5-12)

Loans to Homebuyers

[Original NSP Substantial Amendment]

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 NSP Program. The amount of the “soft second” for each homebuyer will be determined by the loan underwriting process carried out by the Gwinnett 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 Gwinnett County if the homes are sold during the 15 year loan term.

Gwinnett 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 Gwinnett County.

Amendment 2 - 10-19-2010

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” Homeownership Assistance loans from the NSP Program or from the HOME Program. The NSP homebuyer loans will be secured by promissory notes and deeds, which specify that the amount of the investment of NSP funds.

The Homeownership Assistance loans to NSP homebuyers will come from NSP grant or Program Income funds for homebuyers between 81%-120% Area Median Income or from HOME Program funds for homebuyers at \leq 80% Area Median Income]. The terms are: \$14,500 for five (5) years at zero percent (0%) interest rate, with the principal being reduced twenty percent (20%) per year; or \$22,500 for ten (10) years at zero (0%) interest rate, with the principal being reduced 10 percent (10%) per year. The remaining principal shall be paid to the County if the house is no longer the homebuyer’s principal place of residence.

Amendment 3 06-5-12

Homebuyers who purchase homes which are constructed upon real property may receive “soft second” loans from NSP grant or Program Income funds or from HOME Program funds. The NSP homebuyer loans will be secured by promissory notes and deeds, which specify that the amount of the investment of NSP funds. The amount of funds received by the homebuyers will be based on standards established by Gwinnett NSP under HOME Program guidelines. The maximum amount of the “soft second” loan can not be greater than \$22,500.00.

Acquire/Rehabilitate Foreclosed Multi-Family Rental Housing [New]
[Priority One Activity]

Amendment 1 - 8-4-2009 [New NSP Activity]

Gwinnett County will loan NSP 1 grant funds [an amount not to exceed \$3,000,000] to a private organization that will purchase and rehabilitate a multi-family rental project of 92 units, The non-profit owner has rendered deeds in-lieu-of foreclosure to its lender. The NSP 1 grant funds loaned to the private organization to perform the necessary rehabilitation will bring the project into compliance with NSP and local property standards. Work specifications will be developed and approved by the County for all rehabilitation work, and all

rehabilitation work will be inspected to ensure compliance with Gwinnett County NSP Property Standards and with Gwinnett County building codes. The NSP acquisition/rehabilitation loans from Gwinnett County will be secured with promissory notes, deeds to secure debt, and Land Use Restriction Agreements [LURA] to protect the affordability of the properties.

Amendment 2 - 10-19-2010

*Gwinnett County will loan NSP 1 grant funds [an amount not to exceed ~~\$3,000,000~~ **\$3,725,000** of HUD NSP funds and ~~\$1,000,000~~ **\$1,175,000** of Georgia DCA NSP funds] to a private organization that will purchase and rehabilitate a multi-family rental project of 92 units that has been foreclosed. The NSP 1 grant funds loaned to the private organization to perform the necessary rehabilitation will bring the project into compliance with NSP and local property standards. Work specifications will be developed and approved by the County for all rehabilitation work, and all rehabilitation work will be inspected to ensure compliance with Gwinnett County NSP Property Standards and with Gwinnett County building codes. The NSP acquisition/rehabilitation loans from Gwinnett County will be secured with promissory notes, deeds to secure debt, and Land Use Restriction Agreements [LURA] to protect the affordability of the properties. Sixty-nine (69) of the units will be acquired/rehabilitated with HUD NSP funds and twenty-three (23) of the units will be acquired/rehabilitated with Georgia DCA NSP funds. (Amendment 3 06-5-12)*

Acquire Foreclosed Residential Real Property
[Priority Two Activity]

Loans to Developers/Asset Management Entities

The County will make loans from NSP grant or Program Income funds to developers/asset management entities which will purchase vacant ~~foreclosed single-family~~ residential real property, as allowed by HUD, located in Gwinnett County's designated areas of greatest need. The loans with the developers/asset management entities will be secured with promissory notes and deeds to secure debt to protect the affordability of the properties. (Amendment 3 06-5-12)

Loans to Homebuyers

[Original NSP Substantial Amendment]

Homebuyers who purchase homes which are constructed upon real property [foreclosed vacant real property which have been purchased by developers/asset management entities using NSP Program Income from Gwinnett County] may receive "soft second" loans from NSP grant or Program Income funds. 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 the 0% loans to be repaid to Gwinnett County if the homes are sold during the 15 year loan term. At least 25% of the homes sold will be to homebuyers with total household incomes which do not exceed 50% of Area Median Income.

Gwinnett County may also make Downpayment Assistance loans to the NSP homebuyers from NSP 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 the five (5) year loan term. If the home is sold before the end of the five-year period, Downpayment Assistance funds are repaid to Gwinnett County.

Amendment 2 - 10-19-2010

Homebuyers who purchase homes which are constructed upon real property [foreclosed vacant real property which have been purchased by developers/asset management entities using NSP Program Income from Gwinnett County] may receive "soft second" loans from NSP grant or Program Income funds or from HOME Program funds. The NSP homebuyer loans will be secured by promissory notes and deeds, which specify that the amount of the investment of NSP funds. The terms will be: \$14,500 for five (5) years at zero percent (0%) interest rate, with the

principal being reduced twenty percent (20%) per year; or \$22,500 for ten (10) years at zero (0%) interest rate, with the principal being reduced 10 percent (10%) per year. The remaining principal shall be paid to the County if the house is no longer the homebuyer's principal place of residence. At least 25% of all NSP funds must be expended for housing for households with total household income which do not exceed 50% of Area Median Income.

Amendment 3 06-5-12

Homebuyers who purchase homes which are constructed upon real property may receive "soft second" loans from NSP grant or Program Income funds or from HOME Program funds. The NSP homebuyer loans will be secured by promissory notes and deeds, which specify that the amount of the investment of NSP funds. The amount of funds received by the homebuyers based on standards established by Gwinnett NSP under HOME Program guidelines. The maximum amount of the "soft second" loan can not be greater than \$22,500.00.

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

Response:

Gwinnett 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 Gwinnett 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 \$2,626,956.75.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed fifty percent (50%) of Area Median Income.

Response:

Original Substantial Amendment

Gwinnett County will use 25% of its HUD NSP allocation [at least \$2,626,956.75] 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 fifty percent (50%) of Area Median Income.

Amendment 1 - 8-4-2009 [New NSP Activity]

Gwinnett County will loan an amount not to exceed \$3,000,000 [28.6% of its \$10,507,827 NSP 1 grant award] to a private organization which will acquire and rehabilitate a 92 unit multi-family rental project from a lender which has received "deeds in-lieu-of foreclosure" for this project. The NSP acquisition/rehabilitation loan(s) from Gwinnett County will be secured with promissory notes, deeds to secure debt, and Land Use Restriction Agreements [LURA] to protect the affordability of the properties. A portion of the apartment units will be rented to households with incomes not exceeding 50% of AMI. [Gwinnett County's 25% Requirement for 50%

AMI is \$2,626,956.75.] The actual amount to be used for apartments to be rented to households at 50% AMI was not finalized at the time of the preparation of the amendment.

~~Twenty-five percent [25%] of all program income received will be used to acquire/rehabilitate/sell vacant foreclosed single family homes [estimated 8 units – \$1,075,000] to house homebuyer households at 50% AMI. (Amendment 3 06-5-12)~~

Amendment 3 06-5-12

Gwinnett County Neighborhood Stabilization Program will provide funds to purchase and rehabilitate housing for families whose income is no greater than 50% of the area median income. No less than 25% of Grant Funds and Program Income received after October 19, 2010 will be used for this purpose.

Amendment 2 - 10-19-2010

Gwinnett County will loan NSP 1 grant funds [an amount not to exceed \$3,000,000 of HUD NSP funds and \$1,000,000 of Georgia DCA NSP funds] to a private organization that will purchase and rehabilitate a multi-family rental project of 92 units-that has been foreclosed. The NSP 1 grant funds loaned to the private organization to perform the necessary rehabilitation will bring the project into compliance with NSP and local property standards. Work specifications will be developed and approved by the County for all rehabilitation work, and all rehabilitation work will be inspected to ensure compliance with Gwinnett County NSP Property Standards and with Gwinnett County building codes. The NSP acquisition/rehabilitation loans from Gwinnett County will be secured with promissory notes, deeds to secure debt, and Land Use Restriction Agreements [LURA] to protect the affordability of the properties. Sixty-nine (69) of the units will be acquired/rehabilitated with HUD NSP funds and twenty-three (23) of the units will be acquired/rehabilitated with Georgia DCA NSP funds. Seventy-eight [78]of the apartment will be rented to households at 50% of Area Median Income. Fifty-five [55] of the 78 units were funded with HUD NSP funds and 23 were funded with Georgia DCA NSP funds.

Amendment 3 06-5-12

Gwinnett County will loan NSP 1 grant funds [an amount not to exceed \$3,725,000 of HUD NSP funds and \$1,175,000 of Georgia DCA NSP funds] to a private organization that will purchase and rehabilitate a multi-family rental project of 92 units-that has been foreclosed. The NSP 1 grant funds loaned to the private organization to perform the necessary rehabilitation will bring the project into compliance with NSP and local property standards. Work specifications will be developed and approved by the County for all rehabilitation work, and all rehabilitation work will be inspected to ensure compliance with Gwinnett County NSP Property Standards and with Gwinnett County building codes. The NSP acquisition/rehabilitation loans from Gwinnett County will be secured with promissory notes, deeds to secure debt, and Land Use Restriction Agreements [LURA] to protect the affordability of the properties. Sixty-nine (69) of the units will be acquired/rehabilitated with HUD NSP funds and twenty-three (23) of the units will be acquired/rehabilitated with Georgia DCA NSP funds. Seventy-eight [78] of the units will be rented to households at 50% of Area Median Income. Fifty-five [55] of the 78 units were funded with HUD NSP funds and 23 were funded with Georgia DCA NSP funds.

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.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ 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:

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

Affordable housing constructed to replace the demolished units will be:

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

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

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

(Amendment 3 06-5-12)

Demolition will be used to remove vacant, blighted and/or abandon structures that are a blighting influence within the target area. It is not anticipated that new structures, residential or otherwise, will be built on these properties. These will be isolated cases and the number is not known.

Amendment 1 - 8-4-2009

No apartment units acquired/rehabilitated with NSP funds will be converted to any use which would result in the displacement of tenants with incomes equal to or less than 120%, 80%, or 50% AMI.

F. PUBLIC COMMENT

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

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction’s website for no less than 15 calendar days for public comment.

Response:

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

Original Substantial Amendmentu

See Attachment 1.

Amendment 1 - 8-4-2009

See Attachment 2

Amendment 2 - 10-19-2010

See Attachment 3

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

(1) Activity Name: **Purchase/Rehabilitate Foreclosed Housing [Priority Activity One]**

(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]

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., ≤ 120% of area median income).

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

(4) 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

[Original NSP Substantial Amendment]

The Gwinnett County designated “areas of greatest need” [see Table 1, Page 4, and see Map 1, Page 13] represent the Census Tracts with the high number of foreclosures, with the highest numbers of subprime loans, and which have the greatest risk of foreclosure and abandonment.

All single family 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, Gwinnett County will ensure that at least 25% of the NSP program income funds expended will provide homeownership opportunities to homebuyers with incomes ≤50% AMI. (Amendment 3 06-5-12)~~

Amendment 3 06-5-12

Through its grants management and oversight processes, Gwinnett County will ensure that at least 25% of the NSP Grant Funds and Program Income funds received since October 19, 2010 will be expended to provide rental and homeownership opportunities to families with incomes $\leq 50\%$ AMI.

This activity will provide homeownership for the number of families identified in Item “11. Performance Measures.”

Amendment 2 - 9-21-10

The Gwinnett County designated “areas of greatest need” [see Table 1, Page 4, and see Map 1, Page 13] represent the Census Tracts with the high number of foreclosures, with the highest numbers of subprime loans, and which have the greatest risk of foreclosure and abandonment.

All single family 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 Homeownership assistance provided from grant or Program Income funds from NSP, or from the HOME Program [as determined by the household incomes of the homebuyers].

~~Through its grants management and oversight processes, Gwinnett County will ensure that at least 25% of the NSP program income funds expended will provide housing opportunities to households with incomes $\leq 50\%$ AMI. (Amendment 3 5-00-12)~~

Amendment 3 5-00-12

Through its grants management and oversight processes, Gwinnett County will ensure that at least 25% of the NSP Grant Funds and Program Income funds received since October 19, 2010 will be expended to provide rental and homeownership opportunities to families with incomes $\leq 50\%$ AMI.

This activity will provide homeownership for the number of families identified in Item “11. Performance Measures.”

The Gwinnett County designated “areas of greatest need” [see Table 1, Page 4, and see Map 1, Page 13] represent the Census Tracts with the high number of foreclosures, with the highest numbers of subprime loans, and which have the greatest risk of foreclosure and abandonment.

All single family 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 Homeownership assistance provided from grant or Program Income funds from NSP, or from the HOME Program [as determined by the household incomes of the homebuyers].

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

Amendment 3 5-00-12

Through its grants management and oversight processes, Gwinnett County will ensure that at least 25% of the NSP Grant Funds and Program Income funds received since October 19, 2010 will be expended to provide rental and homeownership opportunities to families with incomes \leq 50% AMI.

This activity will provide homeownership for the number of families identified in Item “11. Performance Measures.”

Amendment 1 - 8-4-2009

The amendment allocates 28.6% of the NSP 1 grant funds to the acquisition/rehabilitation of a 92 unit rental project. The amount of the NSP funds which will be used for apartments housing persons at 50% AMI was not finalized at the time of the preparation of the proposed amount. Tenant case files and rental records will be monitored by Gwinnett County Community Development Program/ Neighborhood Stabilization Program to ensure compliance with this income requirement.

This activity will provide affordable rental housing for the number of families identified in Item “11. Performance Measures.”

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

Gwinnett County will focus the activity in Census Tracts which were identified by HUD as possessing a high risk for foreclosure or abandonment. See Page 2, Item A, and Table 1, Page 4, and Map 1, Page 13.

(6) 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:

Original Substantial Amendment

Acquisition of Foreclosed Single-Family Homes/Townhomes	100 units
Rehabilitation of Foreclosed Single-Family Homes/Townhomes	100 units
<u>Sale of Acquired/Rehabilitated Foreclosed Single-Family Homes/Townhomes:</u>	
Sale to NSP-eligible homebuyers [incomes between 81% & 120% AMI]	70 Units
Sale to NSP-eligible homebuyers [incomes between 51% & 80% AMI]	2 Units
Sale to NSP-eligible homebuyers [incomes \leq 50% AMI]	<u>28 Units</u>
Total Units – NSP Program [Acquire/Rehab/Sell]	100

AMENDMENT 1 - 8-4-2009

Acquisition of Foreclosed Single-Family Homes/Townhomes	63 units
Rehabilitation of Foreclosed Single-Family Homes/Townhomes	63 units
<u>Sale of Acquired/Rehabilitated Foreclosed Single-Family Homes/Townhomes:</u>	
Sale to NSP-eligible homebuyers [incomes between 81% & 120% AMI]	35 Units
Sale to NSP-eligible homebuyers [incomes between 51% & 80% AMI]	20 Units
Sale to NSP-eligible homebuyers [incomes \leq 50% AMI]	<u>8 Units</u>
Total Units – NSP Program [Acquire/Rehab/Sell]	63

Acquisition/Rehabilitation of Foreclosed* Multi-Family Apartments

Acquisition of Foreclosed* Multi-Family Rental Units 92 Units
 Rehabilitation of Foreclosed* Multi-Family Rental Units 92 Units

*Deeds In-Lieu-Of Foreclosure

AMENDMENT 1 - 10-19-2010

Acquisition of Foreclosed Single-Family Homes/Townhomes 92 units [69 HUD NSP; 23 DCA NSP]
 Rehabilitation of Foreclosed Single-Family Homes/Townhomes 63 units

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

Sale to NSP-eligible homebuyers [incomes between 81% & 120% AMI] 55 Units
 Sale to NSP-eligible homebuyers [incomes between 51% & 80% AMI] 5 Units
 Sale to NSP-eligible homebuyers [incomes < 50% AMI] 3 Units
 Total Units – NSP Program [Acquire/Rehab/Sell] 63

Acquisition/Rehabilitation of Foreclosed* Multi-Family Apartments

Acquisition of Foreclosed *Multi-Family Rental Units 92 Units [69 HUD NSP; 23 DCA NSP]
 Rehabilitation of Foreclosed *Multi-Family Rental Units 92 Units

*NSP funds received from HUD used to acquire and rehabilitate 69 units, and NSP funds from DCA used to acquire and rehabilitate 23 units.

AMENDMENT 3 06-5-12

Acquisition of Foreclosed Single-Family Homes/Townhomes 92 units [69 HUD NSP; 23 DCA NSP]
 Rehabilitation of Foreclosed Single-Family Homes/Townhomes 63 units
 Revolving Loan Fund 25 units [funded by Program Income]

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

Sale to NSP-eligible homebuyers [incomes between 81% & 120% AMI] 55 Units
 Sale to NSP-eligible homebuyers [incomes between 51% & 80% AMI] 5 Units
 Sale to NSP-eligible homebuyers [incomes < 50% AMI] 3 Units
 Total Units – NSP Program [Acquire/Rehab/Sell] 63

Acquisition/Rehabilitation of Foreclosed* Multi-Family Apartments

Acquisition of Foreclosed* Multi-Family Rental Units 92 Units [69 HUD NSP; 23 DCA NSP]
 Rehabilitation of Foreclosed* Multi-Family Rental Units 92 Units

*NSP funds received from HUD used to acquire and rehabilitate 69 units, and NSP funds from DCA used to acquire and rehabilitate 23 units.

(7) Total Budget: (Include public and private components)

Response:

[Budget – Entire 5 Year Period]
[Original Substantial Amendment Approved by HUD]

Grant Amount Requested From HUD – All Activities/Administration \$10,507,827

Projected Activity Revenue:

NSP Grant Funds	\$ 9,457,044
Estimated Program Income from NSP Loans [63 loans @ \$100,000]	\$ 6,300,000
Estimated Private Funds [1 st Mortgages] [63 loans at \$100,000]	<u>\$ 6,300,000</u>
	\$22,057,044

Note: The Estimated Private Funds generate the Estimated Program Income

Project Activity Expenditures:

Public Funds [NSP Grant – Purchase/Rehab Costs] [63 Units]	\$ 9,457,044
Public Funds [NSP Est. Program Income Purchase/Rehab Costs] [37 Units]	\$ 5,550,000
*Private Funds [63 mortgage loans at \$100,000]	\$ 6,300,000
Total	\$21,307,044

*Note: Private Funds from 63 mortgages will generate estimated \$6,300,000 in Program Income, of which \$5,550,000 is budgeted for this activity. The remaining \$750,000 from estimated Program Income is budgeted for Priority Activity Two.

*Note: 25% of ESP grant funds [\$2,626,956.75] plus 25% of estimated Program Income [\$1,387,500] 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 28 housing units.

Administration Budget

Program Adm. Costs [10% of NSP Grant – 5 Year Budget]	\$ 1,050,782
Program Adm. Costs [10% of Est. Program Income– 5 Year Budget]	<u>\$ 630,000</u>
Total Activity Administration Budget [5 Year Budget]	\$ 1,680,782

[Budget – Entire 5 Year Period]
[Amendment 1- 8-4-2009]

Grant Amount Requested From HUD – All Activities/Administration **\$10,507,827**

Homebuyer Activities

(1) Projected Activity Revenue:

NSP Grant Funds	\$ 6,457,044
Estimated Program Income from NSP Loans [43 loans @ \$100,000]	\$ 4,300,000
Estimated Private Funds [1 st Mortgages] [43 loans at \$100,000]	<u>\$ 4,300,000</u>
	\$15,057,044

Note: The Estimated Private Funds generate the Estimated Program Income

(2) Project Activity Expenditures:

Public Funds [NSP Grant – Purchase/Rehab Costs – Single Family] [43 Units]	\$ 6,457,044
Public Funds [NSP Est. Program Income Purchase/Rehab Costs] [20 Units]	\$ 3,120,000
*Private Funds [43 mortgage loans at \$100,000]	<u>\$ 4,300,000</u>
Total	\$13,877,044

***Note: Private Funds from 43 mortgages will generate estimated \$4,300,000 in Program Income, of which \$3,120,000 is budgeted for this activity, while 10% [\$430,000] of estimated Program Income is budgeted for project administration, and \$750,000 from estimated Program Income is budgeted for Priority Two Activity [Acquire foreclosed real property].**

Rental Activities [New in Amendment 1 - 8-4-2009]

(1) Project Activity Revenue:

NSP Grant Funds	\$ 3,000,000
Estimated Program Income	\$ 0
Estimated Private Funds	\$ 0
Total	\$ 3,000,000

(2) Project Activity Expenditures

Public Funds [NSP Grant – Purchase/Rehab Costs] [92 Units]	\$ 3,000,000
Public Funds [NSP Est. Program Income Purchase/Rehab Costs] [0 Units]	\$ 0
Total	\$ 3,000,000

***Note: 28.6% [amount not to exceed \$3,000,000] of NSP 1 grant funds will be used to acquire/rehabilitate 92 units of multi-family rental housing. The NSP regulations require that 25% of ESP grant funds [\$2,626,956.75] be expended on housing which will be occupied by families with total household income not exceeding 50% of Area Median Income. The actual number of apartment units to be occupied by households with incomes not exceeding 50% AMI, was not finalized at the time of the preparation of the proposed amendment. Tenant intake procedures will to ensure compliance with this requirement.**

Twenty-five percent (25%) of the estimated Program Income [\$1,075,500] will be expended to purchase/rehabilitate and sell affordable single-family housing to homebuyers with total household income not exceeding 50% of Area Median Income. This investment will fund the acquisition/rehabilitation/sale of 8 housing units. Homebuyer intake procedures will ensure compliance with this requirement.

Rental Activities [Amendment 2 - 10-19-2010]

(1) Project Activity Revenue:

NSP Grant Funds	\$ 3,000,000
Estimated Program Income	\$ 0
Estimated Private Funds	\$ 0
Total	\$ 3,000,000

(2) Project Activity Expenditures

Public Funds [NSP Grant – Purchase/Rehab Costs] [92 Units]	\$ 3,000,000
Public Funds [NSP Est. Program Income Purchase/Rehab Costs] [0 Units]	\$ 0
Total	\$ 3,000,000

***Note: 28.6% [amount not to exceed \$3,000,000] of HUD NSP 1 grant funds will be used to acquire/rehabilitate 69 units of multi-family rental housing. The NSP regulations require that 25% of NSP grant funds [\$2,626,956.75] be expended on housing which will be occupied by families with total household income not exceeding 50% of Area Median Income. The actual number of apartment units to be occupied by households with incomes not exceeding 50% AMI, is 55, Tenant intake procedures will to ensure compliance with this requirement.**

Twenty-five percent (25%) of the estimated Program Income [\$1,075,500] will be expended to purchase/rehabilitate and sell affordable single-family housing to homebuyers with total household income not exceeding 50% of Area Median Income. This investment will fund the acquisition/rehabilitation/sale of 8 housing units. Homebuyer intake procedures will ensure compliance with this requirement

Rental Activities [Amendment 3 -06/5/12]

NSP Grant Funds & Program Income \$ 3,725,000

Note: 28.6% [amount not to exceed \$3,000,000] of HUD NSP 1 grant funds will be used to acquire/rehabilitate 69 units of multi-family rental housing. The NSP regulations require that 25% of NSP grant funds [\$2,626,956.75] be expended on housing which will be occupied by families with total household income not exceeding 50% of Area Median Income. 55 units will be occupied by households with incomes not exceeding 50% AMI. Tenant intake procedures will to ensure compliance with this requirement.

Revolving Loan Activities [Amendment 3 - 06/5/12]

NSP Grant Funds & Program Income \$ 1,250,000

Note: These funds will be used to provide housing for families whose income is no greater than 50% of the AMI.

Administration Budget

Program Adm. Costs [10% of NSP Grant – 5 Year Budget]	\$ 1,050,782
Program Adm. Costs [10% of Est. Program Income– 5 Year Budget]	\$ 430,000
Total Activity Administration Budget [5 Year Budget]	\$ 1,480,782

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

Gwinnett County Community Neighborhood Stabilization Program
[Under Supervision of the Gwinnett County Department of Financial Services]
One Justice Square
446 W. Crogan Street, Suite 275
Lawrenceville, GA 30046
Director: Bill Kingsbury
Telephone: (678) 518-6024
FAX: (678) 518-6072
Email: william.kingsbury@gwinnettcountry.com

(9) Projected Start Date: January 1, 2009

(10) Projected End Date: July 30, 2013

(11) Specific Activity Requirements

- For acquisition activities, include:
 - discount rate

[Original NSP Substantial Amendment]

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

[Amendment 1 - 8-4-2009]

Response: Minimum 1% on the purchase of residential properties in foreclosure or on which deeds in-lien-of foreclosure have been rendered to owners/lenders.

2. For financing activities, include:
- range of interest rates

[Original NSP Substantial Amendment]

Response: NSP “soft second” loans and Downpayment Assistance to homebuyers will be made at 0% interest. [Original NSP Substantial Amendment]

[Amendment 1 - 8-4-2009]

Deferred payment loan(s) will be made at 0% interest for 15 years for the acquisition/rehabilitation of a 92 unit rental project [69 units HUD NSP; 23 units DCA NSP].

3. For housing related activities, include:
- a. tenure of beneficiaries--rental or homeownership;

Response: homeownership, only, no rental [Original NSP Substantial Amendment]

Response: homeownership and rental [Amendment 1 - 8-4-2009]

- b. duration or term of assistance;

[Original NSP Substantial Amendment]

Response: “Soft-second” mortgages - 15 year term/0% interest for homebuyers [Original NSP Substantial Amendment]

[Amendment 1 - 8-4-2009]

Response: “Soft-second mortgages for - 15 year term/0% interest for homebuyers and Deferred Payment Loan(s) [0% interest for 15 years] for rental project.

[Amendment 2 - 10-19-2010]

Response: “Soft-second mortgages for 5 or 10 year terms/0% interest for homebuyers; and Deferred Payment Loan(s) [0% interest for 15 years] for rental project.

- c. a description of how the design of the activity will ensure continued affordability.

[Original NSP Substantial Amendment]

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.

[Amendment 1 - 8-4-2009]

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 homeowner properties are sold or ownership transferred during the loan term.

[Amendment 2 - 10-19-2010]

Response: *“Soft-second” mortgages will be secured by Promissory Notes and Deeds to Secure Debt which will require prorated repayment of the NSP grant or Program Income funds if the homeowner properties are sold or ownership transferred during the loan term.*

Organization receiving loan(s) from Gwinnett County NSP funds to acquire and/or rehabilitate rental properties will be required to sign promissory notes, deeds to secure debt, and Land Use Restriction Agreements [LURA] to protect the NSP funds and to ensure continued affordability.

(1) Activity Name: **Redevelop Demolished or Vacant Properties [Priority Activity Two]**
[No Changes in Amendment 1 - 8-4-2009]

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

NSP Eligible Use:

Redevelop demolished or vacant properties. [*HERA* Section 2301(c)(3)(E) – NSP Type E]

CDBG Eligible Uses

Acquisition [24 CFR 570.201]

Disposition [24 CFR 570.201]

New Housing Construction [24 CFR 570.201]

Direct Homeownership Assistance [24 CFR 570.201]

(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) 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.

The purchase/redevelopment of ~~foreclosed-vacant~~ real property located in the Gwinnett County designated “areas of greatest need” [see the Table 1, Page 4, and Map 1, Page 13, with the identification of Census Tracts/Census Block Groups] will address the high number of foreclosures in these areas by offering homes constructed on this redeveloped property for sale to NSP-eligible households at affordable purchase prices with affordable fixed rate primary mortgages, with NSP financed “soft second” loans, and with Downpayment assistance provided from grant or Program Income funds from NSP, from the HOME Program, or from the American Dream Downpayment Initiative [as determined by the household incomes of the homebuyers]. (Amendment 3 06-5-12)

Through its grants management and oversight processes Gwinnett 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 “6. Performance Measures.”

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

Gwinnett County will focus these activities in Census Tracts which were identified by HUD as possessing a high risk for foreclosure or abandonment. See Page 2, Item A, and Table 1, Page 4, and Map 1, Page 13.

(6) 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:

Acquire ~~Foreclosed~~ Residential Property [For Construction of Individual Single-Family Detached Homes or Townhomes]: (Amendment 3 06-5-12)

Acquire foreclosed single-family properties [Vacant Property] [Using Program Income received from the expenditure of NSP grant funds]	5 Units
Construct single-family housing units	5 Units
Sale to NSP-eligible homebuyers with incomes between 81% and 120% AMI	3 Units
Sale to NSP-eligible homebuyers with incomes between 51% and 80% AMI	0 Units
Sale to NSP-eligible homebuyers with incomes \leq 50% AMI	<u>2</u> Units
Total Units – [New Construction]	5 Units

(7) Total Budget: (Include public and private components)

Grant Amount Requested From HUD – All Activities/Administration	\$10,507,827
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Projected Activity Revenue:

NSP Grant Funds	\$ 0
Estimated Program Income from Activity Priority One Purchase/Rehab NSP Loans	\$ 750,000
Estimated Private Funds [5 mortgage loans at \$100,000]	<u>\$ 550,000</u>
	\$ 1,300,000

Project Activity Expenditures:

Public Funds [NSP Est. Program Income Redevelop Vacant Properties] [5 Units]	\$ 750,000
*Private Funds [5 mortgage loans at \$100,000]	<u>\$ 550,000</u>
Total	\$ 1,300,000

*Note: 25% of NSP estimated Program Income [\$187,500] 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 2 housing units.

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

Gwinnett County Community Neighborhood Stabilization Program
 [Under Supervision of the Gwinnett County Department of Financial Services]
 One Justice Square
 446 W. Crogan Street, Suite 276
 Lawrenceville, GA 30046
 Director: Bill Kingsbury
 Telephone: (678) 518-6024
 FAX: (678) 518-6072
 Email: william.kingsbury@gwinnettcountry.com

(9) Projected Start Date: January 1, 2009

(10) Projected End Date: July 30, 2013

(11) Specific Activity Requirements

1. For acquisition activities, include:
 - discount rate

[Original NSP Substantial Amendment]

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

[Amendment 1 - 8-4-2009]

Response: Minimum 1% on the purchase of residential properties in foreclosure or on which deeds in-lien-of foreclosure have been rendered to owners/lenders.

2. For financing activities, include:
 - range of interest rates

[Original NSP Substantial Amendment]

Response: NSP “soft second” loans and Downpayment Assistance to homebuyers will be made at 0% interest. [Original NSP Substantial Amendment]

[Amendment 1 - 8-4-2009]

Deferred payment loan(s) will be made at 0% interest for 15 years for the acquisition/rehabilitation of a 92 unit rental project.

4. For housing related activities, include:
 - a. tenure of beneficiaries--rental or homeownership;

Response: homeownership, only, no rental [Original NSP Substantial Amendment]

Response: homeownership and rental [Amendment 1 - 8-4-2009]

- b. duration or term of assistance;

[Original NSP Substantial Amendment]

Response: “Soft-second” mortgages =15 year term/0% interest for homebuyers [Original NSP Substantial Amendment]

[Amendment 1 - 8-4-2009]

Response: “Soft-second mortgages for = 15% year term/0% interest for homebuyers and Deferred Payment loan(s) [0% interest for 15 years] for rental project.

[Amendment 2 10-19-2010]

Response: “Soft-second mortgages for 5-10 year term/0% interest for homebuyers and Deferred Payment loan(s) [0% interest for 15 years] for rental project.

- c. a description of how the design of the activity will ensure continued affordability.

[Original NSP Substantial Amendment]

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.

[Amendment 1 - 8-4-2009]

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 homeowner properties are sold or ownership transferred during the loan term.

[Amendment 2 - 10-19-2010]

“Soft-second” mortgages will be secured by Promissory Notes and Deeds to Secure Debt which will require prorated repayment of the NSP grant or Program Income funds if the homeowner properties are sold or ownership transferred during the loan term.

An organization receiving loan(s) from Gwinnett County NSP funds to acquire and/or rehabilitate rental properties will be required to sign promissory notes, deeds to secure debt, and Land Use Restriction Agreements [LURA] to protect the NSP funds and to ensure continued affordability.

NSP CERTIFICATIONS

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 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 [Aaron J. Bovos]

10/22/2010
Date

Director, Gwinnett County Department of Financial Services
Title