

Grantee: Dekalb County, GA

Grant: B-11-UN-13-0003

April 1, 2015 thru June 30, 2015 Performance Report



Grant Number:

B-11-UN-13-0003

Obligation Date:**Award Date:****Grantee Name:**

DeKalb County, GA

Contract End Date:**Review by HUD:**

Reviewed and Approved

Grant Award Amount:

\$5,233,105.00

Grant Status:

Active

QPR Contact:

allen mitchell

LOCCS Authorized Amount:

\$5,233,105.00

Estimated PI/RL Funds:

\$2,670,037.52

Total Budget:

\$7,903,142.52

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The areas of greatest need were established after a team assessment of the County's substantial experience implementing NSP1 (\$18.5 million), the outstanding needs in the community, input from the community and stakeholders, and the results of the local market analysis conducted by Emory University. Additionally, a critical factor impacting how we would meet the requirement of utilizing 25% of the funds for individuals at or below 50% AMI is the large number of multi-family apartment complexes that exist in DeKalb and the number of units that have been foreclosed upon, blighted, and/or abandoned. Utilizing the data provided by HUD for Need Scores over 17, we initiated the local market analysis in partnership with Dr. Rich of Emory University to calculate a composite need index.

Calculating Composite Need Index:

1. Combined standardized scores for each need dimension

- ,
- Population Characteristics
- ,
- General Market Conditions
- ,
- Foreclosure Risk
- ,
- Foreclosures
- ,
- Blight and Abandonment

2. Rank block groups on composite score; group into quintiles

3. Determine Direction of Neighborhood Change

- ,
- Food Stamps
- ,
- Property Sales
- ,
- Ratio Median Block Group Sales Price to County Median Sales Price
- ,
- Foreclosures
- ,
- Crime

4. Combined quintile rank and direction of change into composite need index score

Composite Need Index Charts Allow for Greater Differentiation Among Eligible Census Block Groups:

The next two graphs show a clearer prospective of the "areas of greatest need" with the HUD Foreclosure Need Score Chart (MAP 2B) providing less clarity, whereas the Emory University created "Composite Need Index Chart (MAP 2A) showing considerably more clarity and facilitates greater decision making to ultimately select a focused "Target Area."

The "Next Steps" required a review of:



- '
- Neighborhood context
- '
- Neighborhood assets and amenities
- '
- Civic engagements
- '
- Related Public investments
- '
- Assess feasible impacts
- '

Target Area Recommendation: Hidden Hills Neighborhood Area, Stone Mountain, GA

Original DeKalb County Selected Target Areas:

Census Tracts and Block Groups: 232.10 – BG1; 232.10 – BG2; 232.10 – BG3; 232.11 – BG1; 232.12 - BG1;

Neighborhood Stabilization Program – NSP3- Substantial Amendment to the 2008-2012 Consolidated Plan,

including the 2010 Annual Action Plan - DeKalb County, Georgia 14 August 2012

Our submission is consistent with our DeKalb County Citizens Participation Plan and program guidance provided by HUD.

Specifically, we are adding 12 additional Census Tracts and 33 Block Groups to our target areas, the Hidden Hills Community in Stone Mountain, Georgia. Unfortunately, there are an insufficient number of NSP eligible properties in the originally submitted Census Tracts and Block Groups approved by HUD in March 2011.

Listed below are the Census Tracts and Block Groups that are displayed in the updated HUD NSP3 Mapping Tool reflecting the addition of the following 12 Census Tracts and 33 Block Groups:

Census Tract 232.03 - Block Groups 1,2,3,4 ; Census Tract 232.04 - Block Groups 2,3; Census Tract 232.06 - Block Groups 2,3,4;

Census Tract 232.08 - Block Groups 1,2,3; Census Tract 232.09 - Block Groups 1,2; Census Tract 232.11 - Block Group 2;

Census Tract 232.12 - Block Group 2; Census Tract 233.05 - Block Groups 1,2,3,4; Census Tract 233.06 - Block Groups 1,2;

Census Tract 233.07 - Block Groups 1,2,3,4,5 ; Census Tract 233.09 - Block Groups 1,2,3; Census Tract 233.10 - Block Groups 1,2,3;

How Fund Use Addresses Market Conditions:

In order to develop an effective strategy for NSP3, DeKalb County partnered with Emory University, Dr. Michael Rich, to prepare a local market analysis. We familiarized ourselves with the NSP3 mapping tool, utilized existing information, worked with other County departments and coordinated with local stockholders and partners. The chart below identifies the market data indicators and data sources used. Indicators and Derivation: 1. REO properties - Estimate from statewide REO totals (or foreclosure starts) based on each block group's

share of a state's estimated number of seriously delinquent loans

2. Seriously delinquent loans - Estimate based on rate of seriously delinquent loans times the number of mortgages made between 2004 and 2007.

Block group estimates derived from census tract estimates.

3. USPS vacancies - Estimate based on census tract count of vacancies assigned to block groups based on block group's share of tract's estimated housing units in 2007.

4. High cost mortgages Census tract level rate assigned to block group- No variation across block groups in the same census tract.

Constructed a Composite Need Index to Better Capture Variations in Foreclosure Data Across

DeKalb County Neighborhoods:

Five dimensions of Data and need :

- '
- 1. Characteristics of the Population
- '
- 2. General Market Conditions
- '
- 3. Foreclosure Risk
- '
- 4. Foreclosures



5. Blight and Abandonment

- Level, Concentration, and Trend
- Use of neighborhood-level data wherever possible

Ensuring Continued Affordability:

The County will adopt a dual focused approach to ensure continued affordability for NSP assisted housing: · Affordability at the citizen level in the use of housing obtained with NSP Funds. · Monitoring of HOME regulation requirements to maintain long term affordability. Steps to ensure affordability are: Affordability at the citizen level Acquisition & Sale , Purchase all property at the lowest possible price. , Negotiate with FHA, VA, Fannie Mae, Freddie Mac, and other lenders willing to work with the County, to purchase property at the best possible price. , In selecting property, give priority to property that requires less extensive rehabilitation, while remaining cognizant of the neighborhood stabilization goal. , Ensure that the mortgage amount does not exceed 2.5 - 3 times the purchaser's annual gross income. , Sell property for an amount less than the total NSP investment. We need to remain cognizant of the goals of affordability and stabilization. Prior to NSP implementation, the County will engage subject matter experts to assist in developing policies and guidelines in this process. , To avoid decreasing neighborhood value and maintain affordable mortgage payments, provide second mortgages to cover the difference between the appraised value and the buyer's first mortgage. The purchaser must qualify for a mortgage amount equal to 80% of the appraised value. Prior to NSP implementation, the County will engage subject matter experts to assist in refining policies and guidelines in this process. , Buyer Selection , Give priority to buyers qualifying under the County's Workforce Force Housing definition. This definition includes public and private sector employees whose incomes are between 61% and 120% of the County's median family income. (Note that the ordinance states 125% but NSP has a cap of 120% of median family income.) , Require eight (8) hours of mandatory homeownership and financial management training. At least two (2) hours of the eight (8) hours will be one-on-one face to face counseling. The curriculum of the Housing Choice Voucher Program should be reviewed. , Prequalify all individuals as required by NSP regulations. , Examine consumers' debt to income ratio and ensure that buyers do not have excessive debt. Prior to NSP implementation, the County will engage subject matter experts to assist in refining policies and guidelines in this process. , We will consult with HUD approved counseling agencies to finalize the requirements. , The County will require all recipients of NSP3 funding to execute a mortgage, soft second mortgage, promissory note, and a declaration of restrictive covenants. These documents will be recorded in the Public Records and are enforceable mechanisms to insure continued affordability. , Resale & Recapture: If circumstances require the sale of NSP assisted property, the County will ensure that buyers retain at least a portion of their investment if net revenues exist) while maintaining affordability. To preserve affordability of NSP assisted prty, the County may place resg> is subject to the limitation that when the recapture requirement is triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the NSP3 investment due, the County can only recapture the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than NSP3 funds) and any closing costs. During the NSP implementation phase, the County will establish policy and guidelines governing the deployment of these options. Affordability periods, as shown in 24 CFR 92.254 will apply to NSP assisted property. The County may acquire NSP assisted property that is in jeopardy of foreclosure through right of first refusal or other preemptive right b

Definition of Blighted Structure:

A structure that exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

The DeKalb County local code defines a blighted structure as:

1. An abandoned or vacant structure that constitutes a hazard to the health or safety of persons who may come on or near the property on which the structure is located and which is not fenced in or otherwise protected to reasonable prohibit public access thereto.
2. A structure that is severely damaged by fire, storm or other natural or manmade causes which has remained in such damaged condition for a period of six (6) months or more and which constitutes a hazard to the health or safety of persons who may come on or near the property on which it is located.
3. A structure that is in a condition of being partially constructed and construction thereon has ceased for a period of twelve (12) months or more and which constitutes a hazard to the health or safety of persons who may come on or near the property on which it is located.
4. Any combination of the foregoing that would constitute a hazard to the safety and welfare of any person living on property located adjacent thereto.

Definition of Affordable Rents:

The County will use the HOME Program Rents published annually by HUD as the affordable rents for DeKalb County. (Source date 5/2010)

Metro Atlanta/DeKalb	Efficiency	1 BR	2BR	3BR
Low HOME rent	\$628	\$673	\$808	\$933
High HOME rent	\$757	\$820	\$912	\$1,109
Fair market rent	\$757	\$820	\$912	\$1,109
50% rent limit	\$628	\$673	\$808	\$933
65% rent limit	\$798	\$856	\$1,028	\$1,179



Housing Rehabilitation/New Construction Standards:

The DeKalb County local codes will determine the minimum housing rehabilitation standards for NSP assisted activities. However, The County may exceed those standards, depending upon the age and condition of the property.

A copy can be obtained from the County website:

www.dekalbcountyga.gov under the County Departments Tab – Community Development Department.

Please see “Standard Specifications For Residential Rehabilitation”.

Vicinity Hiring:

Vicinity hiring objectives will be placed in the contracts of all NSP3 service providers.

Procedures for Preferences for Affordable Rental Dev.:

DeKalb will appropriate at least 25% of the NSP funds (\$1,308,277) and any received Program Income to assist individuals and families whose incomes do not exceed 50 percent of area median income. The project initiatives and activities will be ancillary to our DeKalb County Homeless Continuum of Care (COC) Plans. Our Homeless Advisory Council and community leaders have previously documented the various gaps in our COC. Of special note is our focus on women with children, veterans, and at-risk homeless families in hotels.

We will use the referenced 25% of NSP funds (\$1,308,277) and any received Program Income principally to generate rental units; preferably, in multifamily properties. The number of Low-Income Set-Aside units in each property will be in proportion to the NSP funds invested in comparison to the total project cost.

Our tactical plans include working with major developers to identify a multi-family eligible project. Specifically, the developer will rehabilitate the multi-family projects using our 25% set-aside NSP3 funds coupled with private leveraged funds, and possibly a construction loans obtained by developers. The identified NSP3 rental units will be exclusively dedicated to individuals at or below 50% of AMI. The NSP3 activity used for the 25% Set-Aside requirement is Activity A (Financing Mechanisms).

This rehabilitation project will be accomplished in one of the targeted areas with a need HUD Foreclosure Need score in excess of 17. We will deploy the following activities to accomplish our goals for individuals in this target area:

- Purchase abandoned/ foreclosed residential multi-family properties
- Purchase and rehabilitation abandoned/ foreclosed residential multi-family properties

Grantee Contact Information:

DeKalb County Community Development, located at 150 E. Ponce de Leon Ave., Decatur, GA 30030, will serve as the lead organization for this activity. Administrators/ Contacts: Chris H. Morris, Director (404) 286-3308 chmorris@dekalbcountyga.gov or Allen Mitchell, Assistant Director (404)286-3351 amitchell@dekalbcountyga.gov

The County will identify other partnering agencies and/or subrecipients through RFP, open application, and/or other processes as described in 24 CFR 85.36. All selected subrecipients and/or partnering agencies will have the capacity to manage and implement the extensive NSP regulations and requirements.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$7,300,729.05
Total Budget	\$158,383.46	\$7,300,729.05
Total Obligated	\$119,546.00	\$5,773,752.79
Total Funds Drawdown	\$102,000.00	\$5,806,175.89
Program Funds Drawdown	\$0.00	\$4,388,516.97
Program Income Drawdown	\$102,000.00	\$1,417,658.92
Program Income Received	\$70,051.13	\$1,584,297.19
Total Funds Expended	\$0.00	\$5,522,588.66
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$784,965.75	\$0.00
Limit on Admin/Planning	\$523,310.50	\$659,719.06
Limit on State Admin	\$0.00	\$659,719.06
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00

Overall Progress Narrative:

The DeKalb Neighborhood Stabilization Program activities for the 2nd quarter of CY2015 was focused on achieving the 25% set-aside object of selling homes to individuals at or below 50% AMI. The Housing Authority of DeKalb County serves as the developer for the project which consists of 21 single family detached homes: 5 have been sold, and 15 have been through the rehabilitation process.

The providers of NSP3 services as follows:

1. Atlanta Neighborhood Development Partners (ANDP)
2. Real Estate Alliance Partners (REAL)
3. Housing Authority of DeKalb County

A new marketing and communications plan was also completed that consist of flyers, brochures and presentations at HUD mandatory counseling workshops. A network of HUD Approved Counseling Agencies, lenders, relators and affordable housing organization are engaged to provide support and resources in an effort to sell the remaining NSP3 homes. Total expenditure for the program to date are \$5,704,176.

The Overall Budget for NSP3 is \$6,778,564. Program Income booked todate exceeds \$1.5 million. We anticipate selling at least 10 of the homes by the end of the 3rd quarter 2015.

There is continued dialog with the Hidden Hills and expanded Community regarding the NSP3 outcomes. The President of the HOA contacts the office on occasion to seek updates on the program effectiveness.

We have been pleased with NSP3 Service providers.

DeKalb County citizens and the administration have been excited about the NSP3 Program.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
11-A, Funding Mechanisms	\$0.00	\$0.00	\$0.00
11-B, Acquisition and Rehabilitation	\$0.00	\$6,139,546.00	\$4,086,791.44
11-D, Demolition	\$0.00	\$0.00	\$0.00
11-F, Administration	\$0.00	\$677,856.00	\$301,725.53
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



Activities

Project # / Title: 11-B / Acquisition and Rehabilitation

Grantee Activity Number: 11-NSP3-LH25-REAL01
Activity Title: 5231 MARTINS CROSSING RD STONE MOUNTAIN 30088

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

11-B

Projected Start Date:

02/28/2014

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

02/28/2015

Completed Activity Actual End Date:

Responsible Organization:

DeKalb County Government2

Overall

Total Projected Budget from All Sources

Apr 1 thru Jun 30, 2015

N/A

To Date

\$188,567.69

Total Budget

\$0.00

\$188,567.69

Total Obligated

\$0.00

\$188,567.69

Total Funds Drawdown

\$0.00

\$188,567.69

Program Funds Drawdown

\$0.00

\$188,567.69

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$31,213.48

\$31,213.48

Total Funds Expended

\$0.00

\$188,567.69

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

25% SET-ASIDE FOR INDIVIDUALS AT OR BELOW 50% AMI.
 REAL IS THE NSP3 SUPPLIER

Location Description:

NSP3 CENSUS BLOCK GROUPS

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/1
# of Singlefamily Units	0	0/1

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected				
	Low	Mod	Total	Low	Mod	Total	Low/Mod	
# of Households	0	0	0	0/1	0/0	0/1	0	
# Owner Households	0	0	0	0/1	0/0	0/1	0	

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



Grantee Activity Number: 11-NSP3-LH25-REAL03
Activity Title: 1373 COLONY EAST COURT STONE MOUNTAIN, GA 30083

Activity Category:
 Rehabilitation/reconstruction of residential structures

Project Number:
 11-B

Projected Start Date:
 03/05/2014

Benefit Type:
 Direct Benefit (Households)

National Objective:
 NSP Only - LH - 25% Set-Aside

Activity Status:
 Under Way

Project Title:
 Acquisition and Rehabilitation

Projected End Date:
 03/05/2015

Completed Activity Actual End Date:

Responsible Organization:
 DeKalb County Government2

Overall	Apr 1 thru Jun 30, 2015	To Date
Total Projected Budget from All Sources	N/A	\$168,771.05
Total Budget	\$0.00	\$168,771.05
Total Obligated	\$0.00	\$168,771.05
Total Funds Drawdown	\$0.00	\$168,771.05
Program Funds Drawdown	\$0.00	\$168,771.05
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$38,837.65	\$38,837.65
Total Funds Expended	\$0.00	\$168,771.05
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:
 25% SET ASIDE- FOR INDIVIDUAL AT OR BELOW 50% AMI.

Location Description:
 NSP3 CENSUS BLOCK GROUP

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/1
# of Singlefamily Units	0	0/1



Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/1	0/0	0/1	0
# Owner Households	0	0	0	0/1	0/0	0/1	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Project # / Title: 11-F / Administration

Grantee Activity Number:	11-NSP3-F
Activity Title:	Administration

Activity Category:

Administration

Project Number:

11-F

Projected Start Date:

06/01/2011

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

06/01/2015

Completed Activity Actual End Date:

Responsible Organization:

DeKalb County Government2

Overall

	Apr 1 thru Jun 30, 2015	To Date
Total Projected Budget from All Sources	N/A	\$790,314.00
Total Budget	\$119,546.00	\$790,314.00
Total Obligated	\$119,546.00	\$677,856.00
Total Funds Drawdown	\$102,000.00	\$659,719.06
Program Funds Drawdown	\$0.00	\$301,725.53
Program Income Drawdown	\$102,000.00	\$357,993.53
Program Income Received	\$0.00	\$0.00



Total Funds Expended	\$0.00	\$557,279.06
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

The DeKalb County Community Development Department will be responsible for the administration of the NSP3 program. The staff is extremely competent and is staffed with the correct set of skills. Currently, it manages NSP1 successfully with a grant award amount of \$18.5 million. Its other entitlement grants (CDBG, HOME, and ESG) total approximately \$9.0 million annually. A DeKalb County procurement process will be used to solicit developers and or subrecipients to enable the management of the NSP3 program. Thorough departmental policies and procedures are documented and are accessible. The expenditures for administration will not exceed 10% of the Grant award and program incomes.

Location Description:

The administration of the program will be conducted in the City of Decatur, Georgia where there is adequate space and other accessible resources.

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

