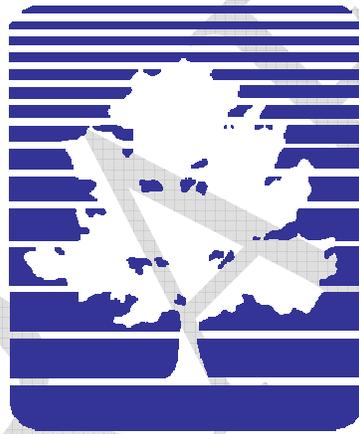


**FULTON COUNTY GOVERNMENT  
NSP PROGRAM  
PROPOSED NSP2 PLAN  
And  
Public Notice**



**FULTON COUNTY**

**HUD NSP2**

**July 2009**



**PUBLIC NOTICE**  
**Citizen Review and Comment Period**  
**June 22, 2009 – July 1, 2009**

**Fulton County Neighborhood Stabilization Program (NSP2) Draft Plan**  
**As required by the U.S. Department of Housing and Urban Development (HUD)**  
**Fulton County is conducting a 10-day citizen review and comment period.**

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A NOTICE IS HEREBY GIVEN that Fulton County is requesting public comment on its draft NSP2 Plan. Fulton County is requesting \$15,489,375.00 for funding under the Neighborhood Stabilization Program (NSP2). Funding is provided through the US Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program. The federal Neighborhood Stabilization Program is authorized under the American Recovery and Reinvestment Act (the Recovery Act) of 2009, and provides grants to states, local governments, nonprofits and a consortium of nonprofit entities on a competitive basis.

**Target Area by Census Tract:**

0114.13	0116.05	0115.01	0105.09	0103.03	0113.01	0108.00	0107.00
0114.11	0116.06	0104.00	0105.08	0103.04	0112.01	0106.01	0110.00
0114.07	0116.07	0103.01	0105.07	0105.13	0112.02	0106.03	
0114.03	0116.04	0105.14	0105.11	0113.04	0111.00	0082.02	
0114.06	0115.02	0105.10	0105.12	0113.03	0109.00	0106.04	

The purpose of NSP2 is to address the impact of abandoned and foreclosed homes in our neighborhoods and communities. All funds must be awarded and administered in compliance with the federal NSP requirements. The deadline for applications is July 17, 2009. Eligible activities include the acquisition and renovation of foreclosed properties for resale; the creation or expansion of financial programs such as a soft-second, loan loss reserves, and shared equity loans; the establishment of land banks; and the demolition of blighted structures. Not less than 25% of the funding must benefit households with incomes at or below 50% of the area median.

Proposed NSP2 County Funded Activities:

Activities	Estimated Amount	Responsible Entity
Purchase and rehabilitate a minimum of 100 homes and residential properties that have been abandoned or foreclosed upon, in order to sell or rent (Assumption: \$120,000 per home)	\$12,000,000	Fulton County
Purchase and rehabilitate at least 100 homes or residential properties that have been abandoned or foreclosed upon, in order to sell or rent to those below 50% of area median income (Assumption: \$15,000 per home)	\$1,500,000	Fulton County
Establish financing mechanisms for purchase (Assumption: Down payment assistance for 75 borrowers at \$7,500 each)	\$562,500	Fulton County
Provide housing counseling for 75 home buyers (Assumption: \$250 per buyer)	\$18,750	Fulton County
<b>ACTIVITY TOTAL</b>	<b>\$14,081,250</b>	<b>Fulton County</b>
Administrative costs in accordance with 24CFR 570.205 or 206	\$1,408,125	Fulton County
<b>PROGRAM TOTAL</b>	<b>\$15,489,375.00</b>	<b>Fulton County</b>

Fulton County Government promotes fair housing and equal access by marketing all programs to low and moderate income families regardless of age, race, color, religion, sex, national origin, sexual orientation, marital status, or disability. Information about the Fulton County Neighborhood Stabilization Program and a draft summary of the NSP2 Plan will be available for review on the County website at [www.fultoncountyga.gov](http://www.fultoncountyga.gov) and at the below locations.

These documents are available in alternate formats upon request by contacting the Department of Housing and Community Development at 404-612-8080. TTY users may Dial 711 and give the Georgia Relay Communications Assistant the preceding number.

**CONTACT INFORMATION:**

Fulton County

Department of Housing and Community Development

141 Pryor Street, S.W., Suite 5001

Atlanta, GA 30303

Phone: 404.612.8080

Fax: 404-893-6620

A draft summary of the NSP2 Plan is available for review at the following locations:

1. Fulton County Department of Housing and Community Development  
141 Pryor St., SW, Suite 5001
2. South Fulton County Service Center  
5600 Stonewall Tell Road
3. North Fulton County Service Center  
7741 Roswell Road
4. Southwest Library  
3665 Cascade Road SW  
Atlanta, GA 30331
5. Fulton County Web site: [www.fultoncountyga.gov](http://www.fultoncountyga.gov)

For Publication on June 22, 2009

DRAFT

## PROGRAM SUMMARY

Fulton County, Georgia, a unit of local government, seeks to renovate and return to use, or otherwise mitigate the negative effects of a minimum of 100 units of foreclosed housing in the Fulton County area, specifically in 37 census tracts, where foreclosures and blight present the greatest concern. Those tracts are:

### Target Area by Census Tract:

0114.13	0116.05	0115.01	0105.09	0103.03	0113.01	0108.00	0107.00
0114.11	0116.06	0104.00	0105.08	0103.04	0112.01	0106.01	0110.00
0114.07	0116.07	0103.01	0105.07	0105.13	0112.02	0106.03	
0114.03	0116.04	0105.14	0105.11	0113.04	0111.00	0082.02	
0114.06	0115.02	0105.10	0105.12	0113.03	0109.00	0106.04	

Fulton County has a long history of housing redevelopment and partnering with both for profit and non profit entities to accomplish this goal. Fulton County completed the rehabilitation of 152 units of housing in the 24 months preceding May 5, 2009, demonstrating full capacity to complete a minimum of 100 units for this project.

Fulton County will comply with all Fair Housing and Civil Rights Laws as listed in **General Section**. This project will focus on rehabilitation and return to market homes. Some limited demolition may also be a part of this project, in order to mitigate negative effects of foreclosed and abandoned properties. Work will be completed by contractors, possibly both profit and nonprofit, chosen through Fulton County's fair bidding process through a binding contractual relationship. All activities will meet the national objective. All units will be sold or rented only to families whose income is at or below 120% of area median income. Only LMMH families will qualify for housing under this program.

### **ORGANIZATIONAL CAPACITY**

Fulton County has the capacity to for rehabilitating homes for low – moderate income families and certainly for those with incomes within 120% of median area income. In the 24 month period preceding this notice, Fulton County rehabilitated 152 units of housing, demonstrating the capacity to easily manage a minimum of 100 units in a two year time span for this proposal. See table in narrative on page X demonstrating needs scores.

### **GEOGRAPHIC NEED**

Fulton County will target the most affected areas of the county for NSP2 activities. These areas will consist of vacancy and foreclosure rates of 18 or greater. The target area will cover 37 census tracts and includes some incorporated cities as well as unincorporated areas.

## **FACTOR 1: NEED/EXTENT OF PROBLEM (40 points)**

### **a. Target geography. (10 points; threshold factor) (and threshold factor II.B.8)**

South Fulton County constitutes the targeted geography for this application. Twenty-six contiguous census tracts in south Fulton County have been identified for this project. Below is a table listing the projects and the foreclosure related need index scores. Note that the average foreclosure needs index score for the targeted geographic area exceeds the minimum requirement and meets the threshold requirement for this proposal.

#### **Housing Market Issues:**

At the end of 2008, there were 5,644 foreclosure petitions in the 26 census tracts chosen for this project, comprising the highest portion of foreclosures in the county. It is assumed that this number continues to grow based on the socio-economic conditions in this area. According to the April, 2009 data found in the Absorption Report of the Multiple Listing Service for Georgia, the average number of days on the market for new (detached) homes in the target geographic area was 124 days. For the same period the average number of days on the market for a resale (also detached) was 84 days, indicating a better response for the resale market as opposed to new homes, however, economic conditions continue to worsen especially in the target geographic area.

#### **Credit Issues:**

High cost and predatory loans also lead to decline when families are unable to pay their mortgages and lose their homes to foreclosure. The greatest numbers of high cost loans are found in the target areas where this project is proposed, further indicating both decline and possible further decline as families face credit problems into the future. The rate of high cost loans for this area runs from 20.1% to as high as 80% in some concentrated areas.

#### **Employment and other Socio-economic Issues:**

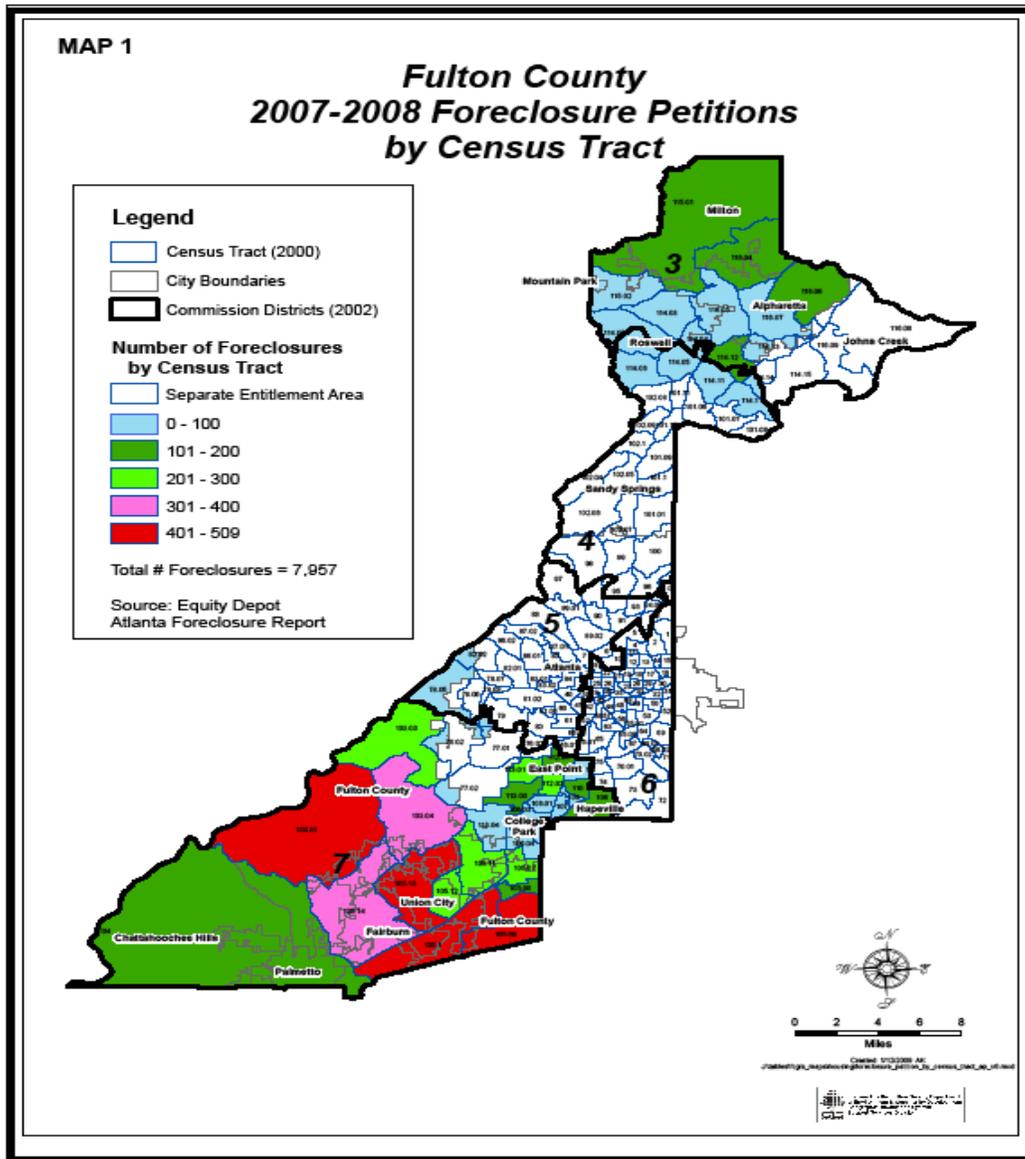
The areas with high foreclosure and vacancy rates have been greatly affected by the economic downturn and will be targeted for mitigating the blight caused by foreclosures as this application intends.

Another indicator of a distressed community is the number of Title I Schools, or schools with high percentages of poor children that qualify for federal funds. Not including the City of Atlanta, there are 30 Title 1 elementary schools in all of Fulton County. Twenty-two of them or 73% are located in the targeted geographic area of south Fulton County. The majority of them are in East Point, a targeted area. Seven of these schools had over 80% of their student body receiving free lunches. Nine others had over 70% receiving free lunches, indicating high poverty in this area. (Fulton County Public Schools)

Employment is a serious concern for this area. The unemployment rate for all of Fulton County is 9.3%, but for East Point it is 11.8%. Over the previous few months closures in apparel manufacturing, automotive equipment manufacturing, retail establishments and department stores have taken over 1,000 jobs from Fulton County. Layoffs in retail

trade, professional and technical services, administrative services and accommodation and food services have added to the job loss total in the county. (Mark Watson, Department of Labor, State of Georgia)

All of the indicators, foreclosures, credit issues, poverty rates, Title 1 schools, and unemployment rates combine to create a decline in neighborhood stabilization. The weakening economy has added more fuel to this fire, forcing attention on what was once an area slated for increased development but has now become peppered with blight.



Map 2

# Fulton County Home Mortgage Disclosure Act High Cost Loan Rate by Block Group

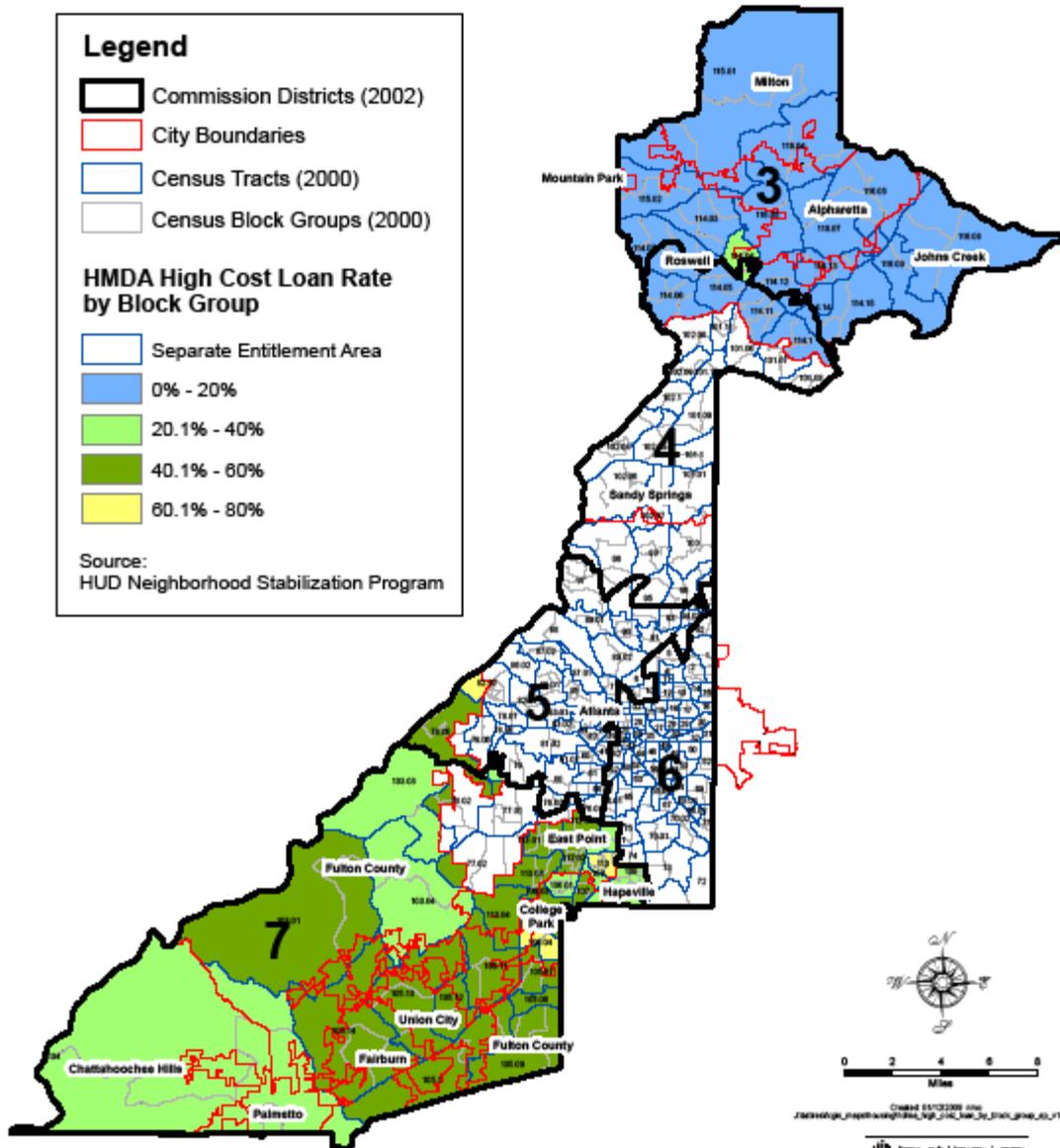
## Legend

- Commission Districts (2002)
- City Boundaries
- Census Tracts (2000)
- Census Block Groups (2000)

## HMDA High Cost Loan Rate by Block Group

- Separate Entitlement Area
- 0% - 20%
- 20.1% - 40%
- 40.1% - 60%
- 60.1% - 80%

Source:  
HUD Neighborhood Stabilization Program



Map 3

**Fulton County**  
**Percentage of Households**  
**with Less than or equal to 120% of Average Median Income**  
**by Block Group**

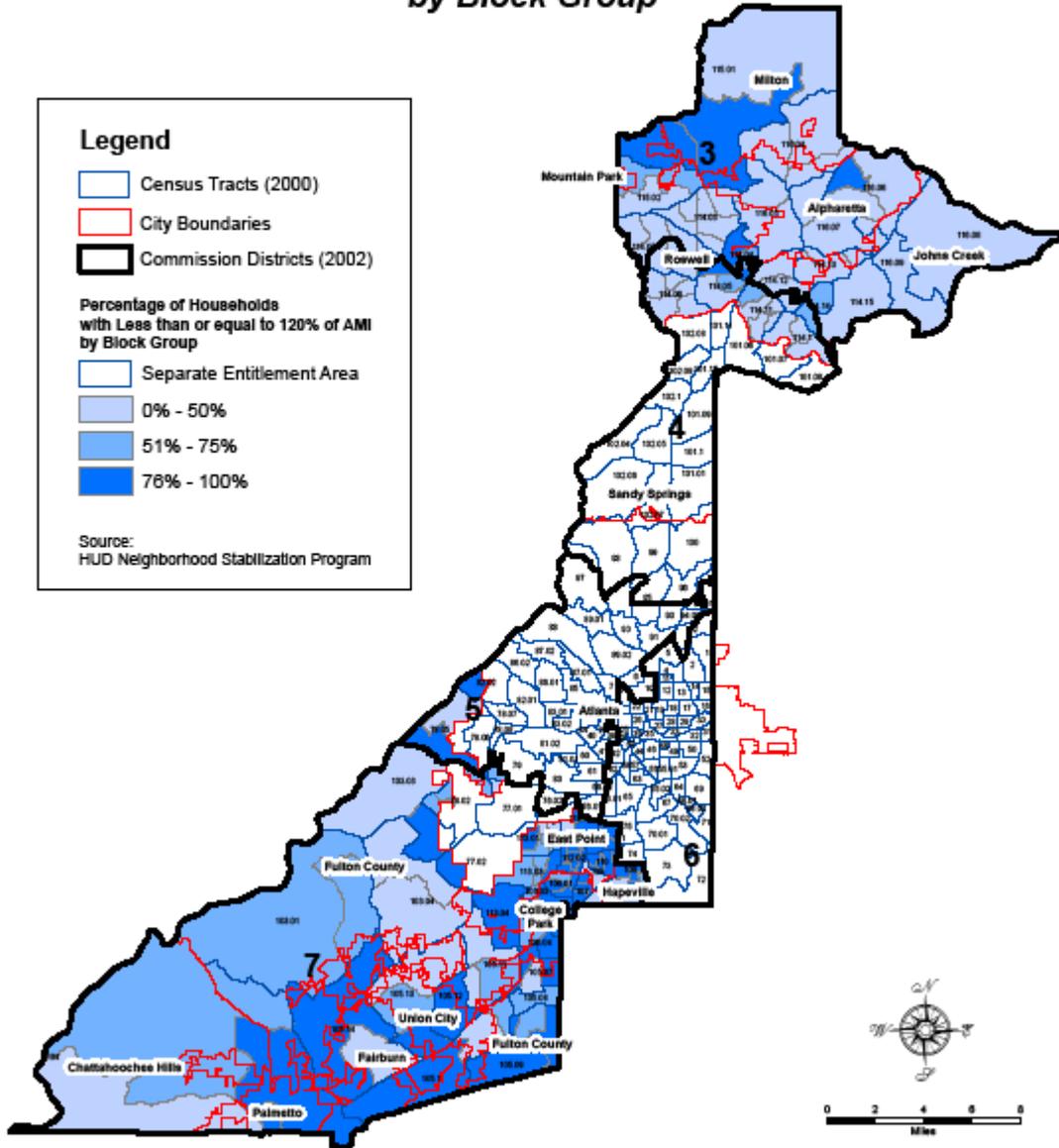
**Legend**

- Census Tracts (2000)
- City Boundaries
- Commission Districts (2002)

Percentage of Households with Less than or equal to 120% of AMI by Block Group

- Separate Entitlement Area
- 0% - 50%
- 51% - 75%
- 76% - 100%

Source:  
HUD Neighborhood Stabilization Program



DATE: 1/13/09 BY:  
STATEWIDE\_MAPPING\_ENGINEERING\_CO., INC. (2008)\_01\_13\_09

Scale: 0 2 4 6 8 Miles

Legend:  
City of Atlanta  
City of Decatur  
City of Dunwoody  
City of Marietta  
City of Roswell  
City of Stone Mountain  
City of Union City  
City of Woodstock

**b. Market Conditions and demand factors (30 points)**

(1) Projection of the extent to which market is likely to absorb abandoned and foreclosed properties through increased demand

According to the Multiple Listing Service's April, 2009 report, the average number of days on the market for a new detached home in Fulton County area was 120 days. The number of days for resold homes was less, at 84 days. However, market and employment conditions worsened in the weeks that followed and the expectation for absorption of foreclosed homes is considered to be far less than for new homes or normal re-sales. One of the reasons for this lowered expectation is the loss of population and reduced employment.

While robust job growth was recently expected, economic conditions have changed rapidly and those predictions may no longer be as solid as they were at one time. According to the Georgia Department of Labor, Fulton County, including the City of Atlanta, employment growth was predicted to be 0.74% at the end of 2008. Since that prediction, staff (Joe Newsome) from the Georgia Department of Labor suggests that this prediction is now too high. It is also important to note that the economy for Fulton County is not growing as fast as Georgia's overall. It is growing at essentially the same rate as the nation's economy. Area job growth is expected to be 1.2 percent per year, while the state of Georgia's job growth is expected to be 1.7 percent per year. (Georgia Department of Labor, Georgia Workforce Trends)

It should be noted that the area of South Fulton County suffers from higher layoffs, including the Ford manufacturing plant that closed in 2007. This plant was located in Hapeville, one of the cities in the target geographic area. Economic fall out from that loss is intensified by the current overall economic climate, making it more difficult for neighborhood stabilization. While workforce trends may have been projected to rise by 2014, current and immediate economic conditions have worsened since those projections.

In February of 2009, the Atlanta Regional Commission published a Regional Snapshot of employment estimates entitled *The Brewing Storm*, signaling tough economic times ahead and reporting anemic job growth. Employment estimates for Fulton County from 2000 – 2008 were down 4%. The 20 county region added only 12,000 jobs between the first quarter of 2006 and the first quarter of 2008, compared to the 1990's when the region added approximately 55,000 jobs per year. Comparing to one year ago, metro Atlanta's employment declined 3.3 percent in December, 2008, more than the two percent decline nationally and the 0.9 percent average decline seen in the 13 other similar sized metro areas analyzed.

Making matters worse, the slow job growth was found primarily in low paying jobs, not sustainable or growth areas. In 2008, fewer than 24 percent of all jobs in the 20-county region were in the top five highest-paying sectors. Between 2006 and 2008, however, the region lost about 1,700 of these jobs. In contrast, the region added nearly 24,000 jobs in

the five lowest-paying sectors. (Atlanta Regional Commission) These trends seem to not only have continued but worsened.

Further complicating the hope for market absorption of property is slower population growth and outward migration from Fulton County. Most in and out migration occurs among 20 counties in the metro region. Of the regional migration, Fulton County lost 69,610 people from 2000 – 2006, one of only four of the 20 counties to lose population to other counties. The Atlanta Regional Commission also noted that a ten county metro region posted the lowest annual population gain between April 2007 and April 2008 since 2003. Population growth was down 16 percent from this decade's annual average. (Atlanta Regional Commission)

(2) The extent to which over-building of housing units, over-valuation of housing, or loss of employment is critical factor causing abandonment and foreclosure

Given the current economic conditions and worsening housing market, it is unlikely that normal market absorption will make a marked difference in removing neighborhood blight through the purchase of foreclosed homes. The critical factors that created the conditions in the neighborhoods of Fulton County are a confluence of all the issues discussed above, coupled with over-zealous housing development, over-valuation of properties and the weakened economy. The loss of employment and reduced incomes, coupled with over extended mortgages, (noting that this area contains higher percentages of high cost loans) created the blight that is prevalent today.

### **(3) Income characteristics**

In Fulton County, about 11% of households with incomes at or less than 50% of the median household income pay more than 30% of their income toward housing costs. About 8% of households with incomes between 50% and 80% of the median household income pay more than 30% of their income toward housing costs. More than 18% of households with incomes between 80% and 120% of median income pay more than 30% of their income toward housing. (U.S. Census Bureau).

### **4.) Relevant social, governmental, educational, or economic factors contributing to local market conditions and neighborhood decline**

One large indicator of the poor social, educational and economic factors contributing to the high foreclosures in the target geographic area can be seen by the high numbers of individuals going to Consumer Credit Counseling, a nonprofit agency, for counseling about foreclosures. From January through May of 2009, Consumer Credit Counseling assisted 568 new individuals from the targeted area with foreclosure problems as their main issue. (Graham Haer, Grants Coordinator, Consumer Credit Counseling)

According to Fulton County Workforce Development, 1,380 individuals from the target area sought assistance from October 2008 through May 2009. These individuals were displaced workers seeking assistance finding new work, however only 57 of them were

successful in doing so. Companies such as Leviton Manufacturing Company, Aramark, Wilen Industries, Owens Corning and Air Springs all experienced layoffs and affected approximately 802 people from January through May, 2009.

The factors discussed above, especially declining employment and falling incomes are the greatest detriment to these communities. The loss of the Ford manufacturing plant is a major contributor to unemployment in the area. The growing number of foreclosures are a result of many factors coming together to create the perfect storm.

#### **(5) Activities most likely to stabilize the area**

The best method for stabilizing the targeted geographic area is acquisition, rehabilitation and resale to qualified buyers. Based on previous experience, projected absorption rate, and signs of economic recovery, the best chance of neighborhood stabilization will be to create homeownership opportunities for new homeowners who qualify as 120% or less of median income. By taking the first steps in acquiring and rehabilitating foreclosed housing, it will become attractive to new home buyers and give neighborhoods the best chance at becoming stable by replacing empty, abandoned housing with owner-occupied housing.

### **FACTOR 2: DEMONSTRATED CAPACITY OF THE APPLICANT AND RELEVANT ORGANIZATION STAFF (40 points)**

#### **a. Past Experience of the applicant. (30 points)**

Fulton County has focused heavily on the most “unstable” areas of the county. One method for providing specific attention to geographic and human needs was the formation of Common Ground, a new initiative within Fulton County to bring departments together to use many disciplines to solve community problems. Common Ground uses a multi-disciplinary approach to the county’s most serious problems, often stemming from inequities in incomes, health, and educational status. Projects that affect these disparities are considered high priorities, including neighborhood stabilization activities as proposed in this application.

The work defined for this project is acquisition, rehabilitation and return to market foreclosed and abandoned properties. Fulton County has many years of experience doing this work in various capacities, both as a funder of local nonprofit housing developers and as the “developer” itself. For example, in 2007, Fulton County provided 83 households with emergency assistance grants through CDBG funds, providing funding for emergency repair needs, such as roofing or plumbing. In that same year, 93 affordable units were made available for low income families through HOME funds. The activities undertaken included three rehabilitation projects for very-low-income households, as well as rental assistance for 37 families. In 2008, Fulton County completed rehabilitation of 65 single family, owner, occupied, units of housing through CDBG funding and eight units of affordable housing rental rehabilitation.

This application seeks to mitigate negative factors influencing the target geography by renovating and returning to market foreclosed and abandoned properties. Fulton County is fully capable of this work through decades of experience in acquiring and rehabilitating single family homes. Other experience in regional planning comes from a full history of working with the City of Atlanta and other municipalities to coordinate service, promote healthier communities, and support local leadership. Fulton County also works cooperatively with other organizations, including local nonprofits and community leaders. For decades, Fulton County led the way in Georgia and the Southeast, providing a model for competitive human service grants. (DeKalb County recently created a similar program, modeled after Fulton County's.) Managing a competitive proposal process of more than \$4,000,000, Fulton County has been recognized internationally for this work. Strong relationships have been forged with the nonprofit human service providers involved in the grant competition, further demonstrating Fulton County's ability to work well with other organizations.

Other evidence of Fulton County's experience with city and regional planning include new developments of neighborhood service centers. One of the projects recently completed by Fulton County is the Neighborhood Union. The Neighborhood Union was created in response to a health crisis in Fulton County. The location of the union is in a high-crime and high risk drug area with a population that includes a large number of homeless individuals as well as those who are mentally ill. The Union provides physical, mental, and substance abuse treatment to those in the Vine City Community (a bit north of the census tracts that we are focusing on for this grant) as well as some workforce assistance. It allows individuals in the community to go to one centralized location to receive a variety of health services. Fulton County also has plans for the development of a North Fulton Service Center at the end of December 2009. This center will provide traditional government services as well as primary care, mental health, work force development and other community support services.

**b. Management Structure – 10 points**

(1) Description of management structure

Daily program operations will be carried out by three strictly NSP-dedicated personnel, the NSP Manager and two NSP Specialists – with one Senior Housing Rehabilitation Inspector on-call. Overall daily program management of the Neighborhood Stabilization Program will be the responsibility of the NSP Manager – with the two NSP Specialists reporting directly to the NSP Manager. The NSP Manager shall report directly to the Director of the Department of Housing and Community Development and meet weekly with the departmental management team to report progress and potential impediments. The departmental management team consists of the Director and four Community Development Managers; one for NSP, CDBG, HOME, and the Financial Reporting Section.

The first NSP Specialist (Contracts/ Projects) will work closely with the NSP Development Partners on site identification, acquisition, portfolio management, contracts,

legal agreements, development and program marketing activities. The second NSP Specialist (Financial Reporting/ Projects) will be responsible for processing payments to vendors, receipting of program income, and financial reporting – to include Disaster Recovery Grant Reporting data entry and management responsibilities – as well as project development, construction monitoring and property disposition. The NSP Manager in conjunction with the NSP Specialists and Development Partners will coordinate the timing of work for the on-call Senior Housing Rehabilitation Inspector as project development cycles dictate.

Financial management of the Neighborhood Stabilization Program and its' expenditures, revenue and reporting is the initial responsibility of the NSP Manager and the NSP Financial Reporting Specialist. As an added level of oversight of financial transactions and reporting, the Housing and Community Development Department's Financial Reporting Section Manager exercises oversight of all financial transactions and systems – including DRGR financial reporting and data entry supplied and/ or performed by the NSP Financial Reporting Specialist.

The NSP Financial Reporting Specialist is responsible for obtaining program and project accomplishment, financial and beneficiary data for entry into the DRGR system. Both NSP Specialists will be responsible for project management activities and will be assigned certain projects by the NSP Manager. Each NSP Specialist will be responsible for completing NSP2 Setup and Completion Forms for their assigned projects. The NSP Manager is responsible for performing an initial review and authorization to allow or disallow the data for specific projects and activities to be entered into the DRGR system by the NSP Financial Reporting Specialist. As an additional level of oversight to ensure accurate reporting of programmatic accomplishments, financial and beneficiary data, the Department of Housing and Community Development's Financial Reporting Section Manager is responsible for the second and final authorization to allow the entry of data into the DRGR and the Fulton County's internal financial management system AMS Advantage.

The NSP Financial Reporting Specialist is responsible for reconciling balances between internal NSP Program Ledgers, AMS Advantage and the Disaster Recovery Grant Reporting System. The NSP Manager is responsible for approving the NSP Financial Reporting Specialists monthly NSP Fund Balance Reports and forwarding the same to the Financial Reporting Division Manager for verification. The Financial Reporting Section Manager is responsible for ensuring that monthly reconciliation between internal NSP Program Ledgers, AMS Advantage and the Disaster Recovery Grant Reporting System within the NSP Fund Balance Reports is accurate. The Financial Reporting Section Manager shall verify the accuracy of monthly reconciliation reports and forward the same to the Director of Housing and Community Development and the departmental management team on at least a monthly basis.

Likewise, the NSP Financial Reporting Specialist shall prepare and submit monthly drawdown requests for verification through the NSP and Financial Reporting Section Managers and authorization by the HCD Director to the Grants Management Division of

the County's Finance Department. The Grants Administrator of the Fulton County Finance Department's Grant Management Division is responsible for approving all draw downs of NSP funds from the U.S. Treasury Department through the Disaster Recovery Grant Reporting System.

The NSP Division Specialist will also track all expenditures to ensure that the 25% rule to house 50% of median income households is met and will work together with the NSP Manager to ensure that all commitment and expenditure deadlines are met with respect to the program. The Financial Reporting Section Manager shall add an additional level of oversight of commitment and expenditure deadlines and procedures according to Neighborhood Stabilization Program rules and regulations.

In addition, the Fulton County Finance Department's Grants Management Division shall also track commitments, expenditures and drawdowns of NSP funds. The Grants Management Division shall also review all entries into DRGR for accuracy and reconcile all NSP accounts on a monthly basis with the NSP and Financial Reporting Divisions.

The Neighborhood Stabilization Program Manager within the Department of Housing and Community Development is responsible for monitoring all NSP contracts, programmatic, and financial activities conducted by the two NSP Specialists. The NSP Specialist (Contracts/ Projects) monitors the performance of all contract obligations of the NSP Development Partners and professional services contractors. Both NSP Specialists monitor the performance of development, rehabilitation and construction activities of their assigned projects, the NSP Development Partners and any professional services contractors. In the event that a developer/ partner demonstrates inadequate progress in the rehabilitation and/ or disposition of property, the County has the ability – through legal agreement – to step in, take control of the property, identify and assign another partner to complete the project.

The Director of the Department of Housing and Community Development has oversight of all NSP activities. Members of the Fulton County Department of Housing and Community Development Management Team are responsible for monitoring the weekly progress of Neighborhood Stabilization Program activities. The Financial Reporting Section Manager monitors and approves all financial transactions initiated by the NSP Financial Reporting Specialist through the NSP Manager, and prepares periodic reports for the Housing and Community Development Management Team.

The Neighborhood Stabilization Program Manager within the Department of Housing and Community Development is responsible for monitoring all NSP contracts, programmatic, and financial activities conducted by the two NSP Specialists. The NSP Financial Reporting Specialist is responsible perform set up of budgets in the AMS Advantage financial system and the Disaster Recovery Grant Reporting System, and manages all accounts payable and accounts receivable activities for the Neighborhood Stabilization Program. The two NSP Specialists with project management

responsibilities monitor the budgets and expenditures of NSP Development Partners' and professional services contractors' active projects.

### **FACTOR 3: SOUNDNESS OF APPROACH (45 points)**

#### **a. Proposed Activities (15 points)**

(1) Overall neighborhood stabilization program including coordinated components not funded with NSP

Activities proposed in this application include reducing neighborhood blight by removing at least 100 foreclosed and abandoned properties, renovating them, and returning them to market. The program proposed in this application does two things. First it builds on and therefore leverages, existing work and investments from NSP 1, focusing on the same area for this work and increasing the impact. Secondly, it also compliments and builds on other County supported neighborhood development work and social improvements for this area, further insuring that investing in housing stock and homeownership will stabilize the area. For example, NSP 1 proposes to complete about 40 houses in the same area. Coupled with NSP 2, that impact will more than double. Secondly, many services have been improved, expanded or created to assist in supporting and strengthening neighborhoods in the area.

This work will be accomplished through Fulton County's fair bidding process. A specialized developer or developers (for profit or nonprofit) will do the renovation work, and own and manage the rental properties. All work will be in compliance with HUD regulations and this program. Fulton County will provide strict compliance monitoring to insure that all compliance issues are met.

For example, a decision was made to invest more human service funding into nonprofit human service providers in this target geographic area. Consequently, Fulton County's funding for the provision of human services in the targeted area increased by more than 11% in 2009. Those funds will make a greater difference in reducing the immediate social service needs of the residents of this area. A few samples of some of the increased services funded to serve the area include:

- Aging Services from the Council on Aging, Quality Living Services, and Senior Citizen Services of Metropolitan Atlanta
- AIDS Services from the National Black Men's Health Network, Project Open Hand, and Jerusalem House
- Disability Services from Citizen Advocacy of Atlanta, Metro Atlanta Respite and Developmental Services, and Sickle Cell Foundation of Georgia
- Employment Services from Dover Training Institute, Atlanta Urban League, and Covenant House
- Homeless and Housing services from Partnership Against Domestic Violence, Travelers' Aid, and Chris Kids

- Youth and Family Services from Center for the Visually Impaired, Families First, and the Juvenile Justice Fund.

Fulton County has made other investments in this geographic area, including an increased presence from the offices of Housing and Workforce Development. A local housing office has been set up in the area to assist people with housing counseling and other services. Workforce Development also has an office in the area, providing assistance with youth employment as well as a career center. A new Fulton County Center for Performing Arts has been well received in the area. A Senior Center, Mental Health Center, and other county services are also provided in this geographic area.

Additional activity includes providing qualified homebuyers with down payment assistance at \$7,500 per purchase. This allowed expense assists greatly toward stabilization efforts and provides added insurance that the new owners will remain in good standing with respect to their mortgages and be fully capable of managing the loan and the property. Housing counseling will also be provided for home buyers furthering the stability and outcome for long term homeownership.

With the increased activity in returning foreclosed and abandoned homes to market, coupled with the increased human service activities, and a full focus from all aspects of Fulton County Government, the geographic area will become stable.

**Proposed NSP2 County Funded Activities:**

Activities	Estimated Amount	Responsible Entity
Purchase and rehabilitate a minimum of 100 homes and residential properties that have been abandoned or foreclosed upon, in order to sell or rent (Assumption: \$120,000 per home)	\$12,000,000	Fulton County
Purchase and rehabilitate at least 100 homes or residential properties that have been abandoned or foreclosed upon, in order to sell or rent to those below 50% of area median income (Assumption: \$15,000 per home)	\$1,500,000	Fulton County
Establish financing mechanisms for purchase (Assumption: Down payment assistance for 75 borrowers at \$7,500 each)	\$562,500	Fulton County
Provide housing counseling for 75 home buyers (Assumption: \$250 per buyer)	\$18,750	Fulton County
<b>ACTIVITY TOTAL</b>	\$14,081,250	Fulton County
Administrative costs in accordance with 24CFR 570.205 or 206	\$1,408,125	Fulton County
<b>PROGRAM TOTAL</b>	\$15,489,375.00	Fulton County

**(b) Proposed activities including duration of assistance, tenure of beneficiaries, location**

The activities noted above are the core of this proposal and will be carried out in partnership with special developers through a contract for service. The contract will spell out all compliance issues, environmental standards and other standards as well as tenure of beneficiaries. Long term affordability will be a focus of homeownership through a contractual relationship at the time of purchase. Rental assistance will be a part of the project for twenty-five (25) households who fall below 50% of the median income in compliance with this NOFA. For those households the term of the benefit will be a minimum of 15 years, with the intent of indefinitely. Developer partners will serve as landlord for these households and contracts will require affordability. If a property is sold, proceeds from that sale will return to Fulton County and affected families will be appropriately re-housed with those funds and affordability will continue.

The County plans to implement this activity in all areas noted in Section A as being those areas of greatest need and highest priority according to available data. Additionally, projects may be undertaken on a spot basis in other areas of the County as funding is available and needs are identified.

**Demolition**

Demolition is not a part of this proposal or an activity planned for this proposal. Other funds from Fulton County, including NSP 1 can be used for limited demolition if the situation warrants such activity for neighborhood stabilization.

**b. Project Completion Schedule (5 points)**

November 2009	Award announcement and contract period
December 2009	Bidding process available for contractors; Fulton County reviews and sets any additional monitoring process needed to comply with all HUD reporting requirements; begin identifying 100 specific target properties
January 2010	Provide monthly report; review all HUD required data sets and insure methods of collection and reporting are in place; follow HUD guidance on all reporting activities and continue throughout life of grant, including internal audits and monitoring, continue through out duration of grant period
February 2010	Contractors chosen, detailed contracts between Fulton County and contractors are signed covering all HUD requirements; provide monthly report; begin draw down; prepare final documents for payment assistance and create process for buyer and rental waiting lists dawns to continue monthly through June 2011 contract period

March 2010	Provide quarterly report by March 10, 2010; Hold at least 1 public information meeting in the area, post work on website to solicit applicants for housing purchase or rental, prepare flyers, brief commissioners, and make additional public announcements to solicit buyers and renters in appropriate income levels.
April 2010	Begin purchase and renovation work; Finalize property identification, review monitoring plans and internal audit functions, begin renovation, listing, and sale; provide monthly report; Hold additional public information meeting as noted above.
May 2010	First purchases in process, provide monthly report; continue to identify properties, as needed, provide quarterly report; hold additional public information meeting
June 2010 – December 2010	Continue all activities above, including monitoring, monthly and quarterly reporting, data collection and submission, etc.
January 2011	Begin identification and qualification of 25 households at or below 50% of median income for rental placement; identify rental property/properties; begin placement
February 2011	Send quarterly report; continue all activities above
May 2011	Send quarterly report; 50% of funds spent; move to quarterly reporting for duration
June 2011 – December 2012	Continue all activities, quarterly and annual reporting as required, sell all properties; complete all purchase and renovation, complete all down payment assistance and rental placements.

**Results**

This project will house a minimum of 100 families with 25% of them earning at or less than 50% of the median income. All of the properties purchased and renovated will have been foreclosed properties. Evidence based evaluations will determine increased stability in target areas, a clear reduction in abandoned properties and more owner-occupied homes.

**c. Income targeting for 120, and 50% of median (5 points)**

Income targeting levels will be met through public information meetings, flyers, and other advertising, including on the website and in local media where applicable. Incomes

will be verified through approved documentation and careful records will be kept to insure appropriate levels are met.

**d. Continued affordability (5 points)**

Fulton County has adopted the affordability period requirements for the HOME Program as their standard for this program as contained in Sections 92.252 and 92.254 of the HOME regulations. Assistance provided through NSP will be secured by legal documents that spell out all these requirements throughout the affordability period. Rental projects will be monitored on a regular basis to ensure that they are meeting all requirements regarding the income of occupants, rents they are charging, and physical condition of the housing units and common property. Homeownership units will have recapture clauses built into the legal documents that will allow the appropriate entity to recapture the NSP investment or a portion thereof in the event the house is sold or the owner ceases to occupy it as his or her primary residence during the period of affordability. These periods of affordability will be determined as follows based upon the level of assistance provided per unit:

- Up to \$15, 000-----5 Years
- \$15,001-\$40,000-----10 Years
- Over \$40,000-----15 Years
- New Construction of Rental Units-----20 Years

**FACTOR 4: LEVERAGING OTHER FUNDS OR REMOVAL OF SUBSTANTIAL NEGATIVE EFFECTS (10points)**

Fulton County will seek to integrate its NSP Program with the activities of other organizations (public, private, and non-profit) providing foreclosure mitigation activities within the target area. While it is understood that federal funds (HOME, CDBG, etc.) cannot be used as leverage we will seek to maximize subsidy layering and community coordination. Fulton County will further stabilize the current housing market by removing negative effects or destabilizing influences. With the NSP2 funds, Fulton will remove at least 100 foreclosed and vacant residential properties and occupy each with a qualified individual or family within the 120% LMMH. Fulton County is currently in discussion with local municipalities regarding on going neighborhood stabilization activities. This coordinated venture will continue in an effort to maximize both leveraging and negative effects.

**FACTOR 5: ENERGY EFFICIENCY IMPROVEMENT AND SUSTAINABLE DEVELOPMENT FACTORS (10points)**

**a. Transit Accessibility**

The Atlanta Regional Commission (ARC) is the federally designated Metropolitan Planning Organization (MPO) for the Atlanta Region. ARC works with local governments in the 10 county Atlanta Region and with state and regional agencies including the Georgia Department of Transportation, (GDOT), the Georgia Regional Transportation Authority (GRTA), the Metropolitan Atlanta Rapid Transit Authority

(MARTA) and other regional transit providers to develop the region's transportation plan. The transportation plan addresses needs for improved air quality, public transit, bicycle and pedestrian, facilities, highways, passenger rail service, incident and congestion management, freight and aviation services. ARC is responsible for developing the Regional Transportation Plan (RTP), the Region's 20 year transportation plan. The includes a balanced mix of projects such as bridges, bicycle paths, sidewalks, transit services, new and upgraded roadways, safety improvements, transportation demand management initiatives and emission reduction strategies. The RTP is updated at least every third year and must be fiscally constrained (approximate balance of revenues and expenses over the lifespan) and must also demonstrate conformity with applicable federal air quality standards. Mobility 2030 is ARC's recently completed regional transportation plan. While every effort will be made to address the Census Tracts with immediate access to public transportation, Fulton County will put priority focus into those targeted areas with the highest Foreclosure Index scores.

#### **b. Green Building Standards**

Fulton County will follow the NSP2 rehabilitation standards and improve the energy efficiency of all foreclosed and vacant residential properties purchased with NSP2 Grant funds. Fulton County will also follow the Energy Star standards for all housing rehabilitation to establish a 15% minimum energy efficiency rating. Any unit needing to be gutted will comply with the 2004 International Residential Codes (IRC) to achieve the minimum of 15% energy efficiency with a goal between 20-30%. All rehabilitations will incorporate light retrofitting and also involve one or more of the following energy efficient activities:

1. **Effective Insulation** - Properly installed and inspected insulation in floors, walls, and attics ensures even temperatures throughout the house, reduced energy use, and increased comfort.
2. **High-Performance Windows** - Energy-efficient windows employ advanced technologies, such as protective coatings and improved frames, to help keep heat in during winter and out during summer. These windows also block damaging ultraviolet sunlight that can discolor carpets and furnishings.
3. **Tight Construction and Ducts** - Sealing holes and cracks in the home's "envelope" and in heating and cooling duct systems helps reduce drafts, moisture, dust, pollen, and noise. A tightly sealed home improves comfort and indoor air quality while reducing utility and maintenance.
4. **Efficient Heating and Cooling Equipment** - In addition to using less energy to operate, energy-efficient heating and cooling systems can be quieter, reduce indoor humidity, and improve the overall comfort of the home. When properly installed into a tightly sealed home, this equipment won't have to work so hard to heat and cool the home.

**5. Efficient Products** - ENERGY STAR qualified homes may also be equipped with ENERGY STAR qualified products — lighting fixtures, compact fluorescent bulbs, ventilation fans, and appliances, such as refrigerators, dishwashers, and washing machines.

**6. Third-Party Verification** - With the help of independent Home Energy Raters, ENERGY STAR builder partners choose the most appropriate energy-saving features for their homes. Additionally, raters conduct onsite testing and inspections to verify the energy efficiency measures, as well as insulation, air tightness, and duct sealing details.

**c. Re-Use of Cleared Sites**

Fulton County does not intend to conduct any demolition projects. However, if a residential lot is available within the targeted area, Fulton will consider the affordability of acquisition and construction of a new home as it relates to its NSP2 Grant Program guidelines.

**d. Deconstruction**

Fulton County will salvage and re-use building materials from re-construction projects when materials are usable.

**e. Other Sustainable Development Practices**

Fulton County will utilize as many NSP2 Recommended Energy Efficient and Environmentally-Friendly Green Elements as available in meeting the Energy Star certifications of any purchased foreclosed or vacant residential property that are economically feasible. Priority will be given to the following (in addition to those mentioned above):

- Sustainable Landscaping
- Energy Efficient Landscaping
- Durable, Heat Absorbing, and Local Source Materials Usage
- Green Label Certified and Healthy Flooring
- Sealing Joints
- Tub and Shower Enclosures for Moisture Prevention
- Green Maintenance Guide and Resident Orientation

**FACTOR 6: NEIGHBORHOOD TRANSFORMATION AND ECONOMIC OPPORTUNITY**

Fulton County’s NSP2 Grant application and plan are a consistent with its NSP1 program and the county’s regionally approved Focus Fulton 2025 Comprehensive Plan <http://www.fultonecd.org/focusfulton/index2.htm>. Both NSP1 and NSP2 will utilize identical activities in acquiring, rehabilitating and selling foreclosed and/or vacant residential properties while providing an 8-hour HUD-approved home buyer education course and downpayment assistance programs and “soft seconds” assistance. By focusing

primarily on the high areas of Foreclosure Risk Scores, Fulton County will be able to maximize the efficiency for both NSP1 and NSP2 by targeting areas not included in either program and prioritizing the “High Priority” areas located within both programs’ targeted areas. The County will place an emphasis on acquiring foreclosed and/or vacant residential properties located near areas of commercial properties and areas having access to public transportation. By focusing on these areas, it is likely to help boost the local economy, bring in new support for local businesses and provide citizens with convenient transportation alternatives within Fulton County and to the City of Atlanta for business, commercial and entertainment purposes. By looking at such areas, Fulton plans to spur economic revitalization in areas affected by the current economic crisis by providing affordable housing conveniently located in these areas. Economic development initiatives currently underway seek to retain and attract business.

Economic development efforts seek to attract office space and research facilities. Although retail is a large industry in Fulton County, some areas are underserved. There are efforts underway stimulate retention and redevelopment of retail along Old National Highway and at Shannon Mall which are located in the targeted areas of Fulton County. Additional efforts are underway to revitalize South Fulton Parkway as an employment center, with an emphasis on bio-science, nano-technology and research parks. This area is located in census tract 82.02 where there is a high level of foreclosures.

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Consumer Credit Counseling, Atlanta

<http://www.cccsatl.org/>

Data Intelligence Corporation/Free Realvaluator

<http://www.freerealvaluator.com>

Department of Community Affairs, Georgia

<http://www.dca.state.ga.us/>

Fulton County's GIS, Geographic Information System

<http://wms.co.fulton.ga.us/>

Fulton County, Housing and Community Development Department

<http://www.fultoncountygga.gov/index.php/table/housing-and-community-development/>

Fulton County Public Schools

<http://www.fulton.k12.ga.us/>

Georgia Department of Labor

<http://www.dol.state.ga.us/>

HUD Foreclosure Need Data Download

<http://www.HUD.gov>

Multiple Listing Service of Georgia

<http://www.atlantamls.com/>

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