

Overview of NSP

According to www.hud.gov, “The Neighborhood Stabilization Program (NSP) was established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. Through the purchase and redevelopment of foreclosed and abandoned homes and residential properties, the goal of the program is being realized. NSP1, a term that references the NSP funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008, provides grants to all states and selected local governments on a formula basis.”

NSP will provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities.

Hall County has received funds from the Georgia Department of Community Affairs (DCA) to acquire foreclosed residential real estate. After purchase and improvement, the properties will be sold to buyers who are eligible to participate in the NSP.

The local program will be administered by the Hall County Government NSP staff.

NSP funds must be used to provide assistance and create affordable housing opportunities for households at or below 120% of the Area Median Income (AMI). Twenty-five percent of those funds must be used to provide assistance and create affordable housing opportunities for households at or below 50% of the Area Median Income (AMI).

NSP Definitions

- **Abandoned** – A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.
- **AMI – Area Median Income.** For purposes of NSP, the median income for each county. The AMI varies by household size.
- **Eligible Area** – A census block group in which at least 51% of the residents have incomes at or below 120% of AMI (LMMA: Low- Moderate- and Middle-Income Area).
- **Foreclosed Upon** – A property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete. DCA generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu foreclosure, in accordance with state or local law.
- **LMMI – Low- Moderate- and Middle-Income.** Households with income below 120% of Area Median Income. Low income households have incomes below 50% of AMI. Moderate

income households have incomes between 50% and 80% of AMI and Middle income households have incomes between 80% and 120% of AMI.

- **REO – Real Estate Owned.** Property which has undergone foreclosure and title is now held by a bank or other financial institution.
- **RFP – Request for Proposal.** A document inviting professional service providers to bid on contracts to perform services under NSP

Hall County Government NSP Staff and Housing Team:

- BOC Chairman – Richard Higgins
- Asst. County Administrator- Marty Nix
- Financial Services Director- Zach Propes
- Grants Manager/NSP Coordinator- Nancy Smallwood
- NSP Housing Information Specialist- Joy Walker
- Grants Accountant – Jordan Langman
- Accounts Payable - LeAnn Parker
- Accounting/Budget Supervisor - Natalie Booth
- Purchasing Department - Tim Sims
- Planning Department- Srikanth Yamala
- Building Inspections- John Estelle
- Marshal’s Office – Andre Niles
- Public Works/Engineering – Kenneth Rearden
- Environmental Health – Kelly Hairston
- Business License Department – Susan Rector
- Tax Assessor’s Department – Steve Watson

Asset Managers:

- Owens Maintenance, LLC dba Owens Management Group, LLC
- Habitat for Humanity

Legal Team:

- Stewart, Melvin and Frost – Scotty Ball

Appraisal Services:

- Metro Appraisals
- Beth Bell Appraisals
- Advantage Appraisals, Inc.

Real Estate Services:

- Keller Williams - Pat Burke

Vendors:

- Home Depot
- Lowe's
- Builder's Surplus
- Rodney Clark - Foundation/ Geo Image
- Ron Combs - Combs Pest Control
- Builders First Source
- Atlanta Highway Glass
- Patriot Building Supply

Reporting & Recordkeeping

- State of Georgia NSP Recipients' Manual

A copy of the State of Georgia NSP Recipients' Manual for NSP1 and NSP3 will be kept on file in the NSP Coordinator's office for quick and easy referral as needed.

- Federal Register

A copy of the Department of Housing and Urban Development [Docket No. FR-5255-N-01] – *Notice of Allocations, Application Procedures, Regulatory Waivers Granted to and Alternative Requirements for Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees Under the Housing and Economic Recovery Act, 2008* – will be kept on file in the NSP Coordinator's office for quick and easy referral as needed.

Property binders

Each NSP property will have its own three-ring binder that will include following:

- Property Section
 - Tax records
 - Listing (if applicable)
 - Property Photos

- Acquisition Section
 - Original Purchase Agreement
 - Original Environmental Review/compliance documentation checklist
 - Original Appraisal/Updated report
 - Original General Warranty Deed/Limited Warranty Deed
 - Original Foreclosure Deed/Deed Under Power
 - Original HUD-1 Settlement Statement

- Renovation Section
 - Bid Packet
 - Original Renovation Contract
 - Original Change orders (if applicable)
 - Original Certificate of Completion

- Property Sale Section
 - Original Purchase agreement
 - Original HUD-1 Settlement Statement
 - Original Second Mortgage Documents (if applicable)
 - Original Client/Buyer Eligibility Documents

- Miscellaneous Section
 - Draw Request forms
 - Invoices

Quarterly reporting (DCA)

The Georgia Department of Community Affairs (DCA) requires quarterly reports on financial activity, project status, and accomplishments from each NSP Recipient for each outstanding NSP grant.

The reporting periods cover the following quarters:

- March – May (due June 30)
- June – August (due September 30)
- September – November (due December 31)
- December – February (due March 31)

Reports are due one month after the end of each quarter.

A Final Quarterly Report is due 30 days after the first quarter in which all drawdowns have been made, all expenses have been paid, and all projects have been completed.

Quarterly Reports contain two sections: the *General Report* and the *Project Activity Reports*.

The *General Report* covers financial activity, contracts awarded, and summary accomplishments for the quarter. It also includes comment areas for explanation of achievements or problems. This report must be submitted each quarter for all open grants.

Project Activity Reports document accomplishments for each project as they occur. Information for a project is broken down by budget activity code so that DCA can generate required summary reports.

NSP Quarterly Report Instructions: Overview as of 12/1/2016:

DCA will now accept NSP Quarterly Progress Reports emailed to nsp.biz@dca.ga.gov . Please limit your email to a single piece of business and any needed backup documentation. For both the email subject line and file name use this naming scheme:

- Recipient Name
- Full Grant Number
- Type of Business

Ex: Carrollton, City of, 08-ns-5050, QPR

Documents should be either PDFs or Microsoft Office formats. Please contact DCA prior to sending other file types for approval. For scanned documents, please ensure the document is readable. Additionally, the combined size of the email message with all files should be under 25 MB or our email system will reject it.

For any document emailed to us, since we will not have the original, it is extremely important for the local government file to contain the original, signed document. HUD requires the original to be produced upon request. For questions, please contact Dana Mykytyn at (404) 679-0629 or dana.mykytyn@dca.ga.gov

Reminder: If both online and signed reports are not received by the deadline, a letter will be sent to the grant official as notification of a potential program finding.

Quarterly NSP Reports

The NSP Coordinator will put together a brief review that sums up the NSP activities. A copy will be given to the Financial Services Director and the Chairman. Another copy will be kept on file in NSP records.

Quarter BOC Reports

The NSP Coordinator will put together a summary of the previous quarter's NSP activities and proceedings. This report may include pictures. A copy of this report will be given to each member of the Hall County Government Board of Commissioners and the County Administrator.

LMMI vs. LH25 Spreadsheet

An excel spreadsheet of all NSP properties and its income qualification – LMMI or LH25 – will be kept on file in NSP Coordinator's office. The list will be updated regularly.

Project Delivery Cost (PDC) Spreadsheet

An excel spreadsheet of all PDC's requested/received – to include acquisition, rehabilitation, disposition and homeownership assistance costs – from DCA per NSP property will be kept on file in the NSP Coordinator's office. The list will be updated regularly.

Acquisition

The first step in the acquisition process is the actual selection process of properties to purchase. NSP Coordinator will search for applicable & NSP eligible foreclosed properties in Hall County. The following tools and search procedures will be utilized:

- Websites: Homepath.com, Foreclosure.com, HUD Pemco/HUD Home Store
- Other general online searches
- Real Estate Agent listings
- Contact local banks

A general inspection of the property will follow once a potentially NSP eligible property has been discovered. This will be completed by the NSP Coordinator.

- Built after 1978
- Less than median housing value
- Renovations/repairs needed & estimated cost
- Single-family detached/Town home
- Within eligible area – the area must have an abandonment risk score of no less than 17.

The NSP Coordinator will then put an offer on the selected foreclosed homes. Each purchase agreement sent to sellers must include the statement of voluntary eminent domain otherwise known as the GIN form.

Once the seller accepts the offer, an environmental review will be ordered. The NSP Coordinator will request the creation of an individual site specific environmental checklist/map for the property. A Housing Information Specialist and in the Planning Department or Engineering Department at the Hall County Government NSP will then be notified and asked to complete the site specific review. When report is complete, NSP Coordinator will review checklist. If all “A” boxes are checked off, the acquisition process for that particular property can move forward. If any “B” boxes have been checked, steps will be taken to either provide supporting documentation or the acquisition process for that particular home will end. Additionally, a Compliance Documentation Checklist will be completed and signed by same person completing individual site environmental review.

While the environmental review process is underway, the NSP Coordinator will order an appraisal report on the property under review. A written request for an appraisal and appraisal report will be sent to an appraiser that has been procured according to local guidelines and DCA approved policies. Once the final report is received, a calculation of appraised value versus accepted offer price will ensue. If the accepted offer amount is less than 1% of the appraised value, the acquisition process can continue. If the accepted offer amount is more than 1% of the appraised value, an amendment to the purchase agreement/contract must be made or the offer needs to be removed.

Once all NSP requirements have been met and the closing date has been set, the funds and payment type must be determined and completed. There are two ways that NSP properties may be financed: via wire or via check from Hall County. This will be dependent on how the seller accepts payment as well as through discussion Hall County Finance Department. If a wire transfer of funds is required, this will take place no less than 24 hours prior to closing. If a check is accepted, a check will be made ready for pick up at the Hall County Government Center at some point prior to the closing.

The Grants Manager/NSP Coordinator, Financial Services Director, or County Administrator have been approved by the BOC and will sign at NSP property closings. At closing, proof of foreclosure must be provided. This will come in the form of a Deed under Power or a Foreclosure Deed (Deed in Lieu of Foreclosure). In addition, the NSP representative at the closing will pick up keys to the property.

Rehabilitation

- NSP Housing Information Specialist will call the electricity provider (GA Power or Jackson EMC) to have the power turned on at the property and will call the water provider to have the water turned on at the property.
- Building Inspector will create a bid sheet rough draft and meet with all contractors at property to discuss bid sheet and renovations/repairs needed.
- If applicable All NSP general contractors will be notified when contract packets are ready to be picked up.
- Each general contractor will have 45 business days to complete renovation work at any NSP unit. (Unless otherwise requested via change order or other written request approved.)
- Change orders must be turned in, reviewed & accepted/approved by NSP Coordinator before executed in renovation.
- Contractor will call for a final inspection. If renovation is not complete, the inspector will let contractor know and renovation will continue. If all items on work write-up sheet are complete and correct, the inspector will give NSP Coordinator a signed Certificate of Completion.
- Once a signed Certificate of Completion has been received for an NSP property and a proper invoice is received from the general contractor, payment to the contractor will be approved by the Building Inspector. A check request will be sent to AP at the Hall County Finance Department. Check will be mailed to the contractor or available for pick up at the Hall County Government Center.

Disposition

- Once all renovations have been completed at an NSP home and a Certificate of Completion is included in property binder, NSP Coordinator with the direction of the Hall County staff

will decide the list price. The list price for a NSP home will either be the appraisal or the purchase amount added to the costs of rehabilitation unless otherwise determined by the housing team to be adjusted lower.

- The property is then advertised and potentially listed with an agent on the market.
- Potential NSP homebuyers can come by the Hall County Government Center to pick up an NSP Application packet. They will then call the NSP Coordinator to set up an appointment to return their application along with their required supplemental documentation (listed below).
- Potential NSP homebuyers may also contact their own real estate agents and/or the NSP listing agent of the NSP property in which they are interested. The NSP listing agent will then submit an offer on the property along with the completed NSP Application and the required supplemental documentation (listed below).
- Required documentation for NSP buyers
 - NSP Application
 - Buyer Questionnaire
 - Client Application
 - Applicant Agreement
 - Applicant Certification
 - Copy of photo ID
 - Proof of income for household
 - 4 or more paycheck stubs (per working member 18+)
 - Employment verification for (per working member 18+)
 - Tax Forms: 1040, W-2, etc. (if applicable)
 - Government assistance letters (if applicable)
 - Child support letters (if applicable)
 - 4. Certificate of Completion of Housing Counseling (8 hours)
 - Potential buyers will be provided with the option of an online course or classroom setting. They will be given the website for online housing counseling as well as a list of HUD-approved housing counseling agencies.
 - 5. Citizenship Affidavit – Notarized
 - Loan Prequalification Letter from Lender
- Once all required documentation has been provided, the NSP Coordinator will verify the applicant's income and finalize client files. Upon application completion, the Hall County Administrator will sign for the properties.

- Upon offer acceptance, a closing date will be set and held at the Hall County Government Center or at the law office of the county attorney.
- Properties owned by Hall County NSP will be transferred to the Gainesville/Hall County Development Authority and they will be listed as the seller of the property prior to closing.
- (See attached Intergovernmental Agreement between Hall County Government and the Gainesville/Hall Development Authority)
- After closing, the program income check will be picked up from attorney's office within two days of closing date and will be taken to the Hall County Finance Dept. to be deposited in an interest-bearing account.
- The NSP Housing Information Specialist will coordinate to make sure all utility services have been switched from the Hall County Government NSP to the NSP buyer within three days of selling the home.

Direct Homebuyer Assistance

- **Affordability Periods**

HUD requires that states ensure, to the maximum extent practicable and for the longest feasible term, that the sale of abandoned and foreclosed-upon homes and residential properties remain affordable to individuals or families whose incomes do not exceed 120% of the Area Median Income (AMI). Additionally, HUD requires that 25% of NSP funds be used to assist households with incomes at or below 50% of the AMI, and that these properties remain affordable to households with incomes at or below 50% of AMI. As a floor, HUD has set the minimum affordability restrictions used in the HOME Program as minimum restrictions for the NSP as well.

- **Recapture Approach to Preserve Affordability**

For NSP assisted projects, the Hall County Government NSP bases affordability periods on the total direct NSP assistance provided to the homebuyer. To ensure Hall County Government NSP properties remain affordable to individuals or families whose incomes do not exceed 120% of the AMI, the NSP homebuyer is required to receive direct homebuyer assistance. Direct NSP assistance may include down payment assistance via a second mortgage with Hall County Government; payment of the homebuyer's closing costs, or a reduction in the sales price from fair market value to an affordable price. For example, if \$50,000 of NSP funds were provided to

a developer for a NSP assisted unit and an additional \$5,000 of NSP funds were provided to the homebuyer for down payment assistance, the affordability period would be 5 years based on the \$5,000 of direct NSP assistance.

Throughout the affordability period, the NSP home must be occupied by income-eligible households. The homebuyer is required to turn in income documents each year for the affordability period to maintain eligible status. For homebuyer assistance and homeowner rehabilitation projects, recapture provisions apply to ensure continued availability of affordable homeownership opportunities.

As such, the pro-rated amount of the direct assistance is subject to recapture when the initially-assisted homebuyer sells, rents, or refinances the NSP-assisted property within the recapture period set forth below:

Amount of Direct Assistance to Homebuyer Length of Affordability Period

Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
More than \$40,000	15 years

Direct homebuyer assistance via a second mortgage with the Hall County Government NSP shall be forgiven after the expiration of the loan recapture period and/or the period of affordability. If the NSP property is sold, rented, or refinanced during the recapture period, the amount of the repayment required shall be prorated by the number of full years the original NSP assisted owner occupied the property. For example, a deferred, second mortgage with the Hall County Government NSP in the amount of \$6,000 would have a recapture period of 5 years. If the property was sold three years and six months after the recapture period started, then 60% (3 full years/5 year recapture period) of the original \$6,000 loan would be forgiven, making the repayment amount \$2,400.

All re-paid, recaptured funds shall be used to support other NSP eligible activities.

These recapture provisions shall be included in the note and mortgage evidencing and securing the NSP-funded second mortgage loan.

- **Qualification for Homebuyer Assistance**

If an individual meets all NSP requirements/qualifications to participate in the program, he/she will be eligible for homebuyer assistance (down payment assistance and/or paid closing costs in the form of a second mortgage) in order to ensure the period of affordability.

Who is Eligible and for How much???

- Each qualified CHIP homebuyer is eligible for up to \$7,500 in down payment assistance

Hall County Government PEN Program:

•Hall County Employees •Protectors • Educators • Nurses

Are eligible for an additional \$5,000 in down payment assistance that can be added to the standard \$5,000 that is approved for every eligible NSP homebuyer

- ALL EMPLOYEES of Hall County Government
- Military: Members of the five branches of the United States of America Armed Forces, including the Army National Guard and Air National Guard
- All Employees police of departments, correctional facilities and other law enforcement agencies such as highway patrol, also includes probation officers.
- ALL EMPLOYEES of fire departments, EMS services and volunteer fire fighters.
- ALL EMPLOYEES of local, city, or county school boards recognized or accredited by the State of Georgia or Regionally Accredited Associations to include Head Start, Pre-K, Elementary, Middle and High Schools, Colleges and Private Schools. Also state certified teachers of day care providers.
- ALL EMPLOYEES of state licensed health care facilities including, but not limited to the following 1. Hospitals 2. Doctor & Dentist offices 3. Health Departments 4. Nursing Homes.

In the instance that the buyer's appraisal of an NSP property results in an appraised amount less than the current list price, the County will entertain the option to negotiate the price, deny the offer or reduce the list price of the home to the most recent appraised amount. If the offer is accepted, the buyer will have one of three down-payment assistance options: (1) accepting the exact amount of down-payment assistance needed, (2) accepting \$7,500 minus the amount reduced from the previously listed amount or (3) providing his/her own down-payment.

- **Second Mortgage documents will include:**
- NSP Promissory Note including applicable maturity schedule (5, 10 or 15 years)
- NSP Deed to Secure Debt
- NSP Loan Agreement

- Notice of Understanding and Acceptance of the Affordability Period

The above listed documentation will be signed by NSP Homebuyer at the time of the closing at the office of the county attorney (Stewart, Melvin and Frost).

All original signed second mortgage documents will be kept in the corresponding property binders. A copy will be kept in a “Second Mortgage” file in the NSP Coordinator’s office. That file will also include a spreadsheet that lists the buyer, amount borrowed, closing date and loan maturity date.

Invoice Procedures

- The NSP Housing Information Specialist receives invoices (utilities, vendor invoices). They are each reviewed for any errors to be corrected and coded per project.
- For NSP Coordinator’s approval (**Must receive all future invoices no later than 4pm on Monday if they are going to be paid on that same week’s check run.**)
- Invoices will be approved and initialed by the NSP Coordinator.
- Originals scanned and emailed to Accounts Payable. (**Must receive by noon Tuesday if to be paid on Thursday’s check run**)
- Originals are copied for draw request, and then placed in weekly report folder to match w/check.
- Breakdown weekly invoice folder. Make 1 copy of invoice, 1 copy of check for each property. Only need 1 copy of invoice/check for salary and 786 charges (clerk of courts).
- Each property file has the following folders to divide the invoices/checks:
 - Invoices (1 copy goes to DCA, checks are not required for drawdowns)
 - Audit (electronically kept)
 - Notebook (needs invoice and check for that property binder)
 - Home Depot (checks and all email invoices. Verify amounts with monthly invoice)
 - Contractor: Owens Maintenance, LLC (checks/invoices, Work Write Up packet, contract, inspection reports, material invoices if needed)

- Checks to be picked up will be noted on invoice. Vendor will sign and pick up check at the front desk. Check pick up times are 3pm on Thursdays.
 - Anything over 20k is signed by Zach
 - All property purchases/wire transfers to be signed by Zach

Home Depot Statement Procedures

- Julie receives statement via mail and gives to Tim (Purchasing/SPLOST Manager) to review.
- Tim (Purchasing/SPLOST Manager) gives to NSP Housing Information Specialist to code each NSP project or supplies.
- Verify amounts on the statement with the emailed Home Depot invoices.
- Memo for project coding invoice is signed by NSP Coordinator for approval.
- Memo and statement is scanned and emailed to Accounts Payable.
- Our copy is filed away in the Home Depot Notebook.

Draw Request Procedures

- Invoices will be approved and initialed by NSP Coordinator.
- Draw forms will be filled out and signed by two authorized officers – BOC Chairman and Financial Services Director.
- Program income must be used before requesting Treasury Funds from DCA. That amount will be documented on the Draw Summary Form of every draw request.
- Between draw requests, the Grants Accountant, NSP Housing Information Specialist and NSP Coordinator will keep a running budget sheet for administrative purposes.
- The completed draw request will be submitted via mail to the Atlanta office of DCA.
- Once the draw request has been approved by DCA, treasury funds will be wired to Hall County Finance Dept. Those funds will be deposited into a non-interest bearing account. Those funds must be moved out to reimbursement appropriate parties within three days of deposit. This will be documented in Hall County finance logs.
- Prepare invoice for Grant Accountant to apply the wire transfer. The Grant Accountant will then process and reconcile the audit trail.

- Scan in each draw with approval and save in its grant NSP file under financestorage1.
- Hole punch the notebook copies and add each to the appropriate property binder.

Preparing Draw Packet

You will have three set of copies once all invoices/payments are removed from property folder.

- DCA (invoices only)
- Property Notebook (checks and invoices)
- Audit Notebook (Electric)

Create a cover page for each property listing each section that needs reimbursement:

- Property invoices (Taxes, Ins. HOA, indirect contractors, etc.)
- City of Gainesville (water)
- Jackson EMC (power)
- Scana (gas)
- Ga Power (power)
- Contractor invoices
- Home Depot invoices
- Disposition

Double check contractor's WWU and invoices.

- Makes sure you have signatures and dates
- Everything is checked off WWU (depending on what percent has been completed)
- Contractor's invoices are complete with detail and appropriate signatures

(This should be verified before contractor is given payment for work)

Complete Home Depot

- Each receipt/invoice should have amount (discounted as needed), details and quantity.
- Notate on receipt/invoice what section the material was for.

- Breakdown of each receipt/invoice by section.
- Excel spreadsheet should have each section of the house with individual totals.
- Check off monthly Home Depot invoice to verify you have all invoices.
- Create Home Depot letter of explanation of discounts
- **Double check all expenditures have been drawn down by reviewing the grant audit trail before the final draw of that property.**

Using the draw template input the amounts for each section: Invoice summary, rehab hours (if needed), rehab invoices, utilities, contractor, home depot, Hall County PDC's (requested on final draw of property). Fill in date, draw#, project number, and address.

If property is closing make sure you have the following:

- Housing Certification
- Loan Agreement for the purchase and sale of real property
- Hud-1 Settlement Statement
- Promissory note
- Security Deed
- DPA invoice (\$2,000)
- Disposition Invoice (\$4,000)
- 10% construction oversight (\$3,000 or 10% of rehab total, which ever amount is lower)

If property has been purchased make sure you have the following:

- Appraisal (verify it matches the Hud-1 Settlement Statement)
- Sales Contract
- Hud-1 Settlement Statement
- Deed under power
- Acquisition PDC invoice (\$4,000)

Create an individual project sheet for each project. Use the correct draw request number for each property.

Create a draw outline for NSP 1 and 3. Each property breakdown will have a list of its activity amounts. Then separate and combine totals for each activity number.

Draw packet must be submitted with NSP drawdown summary form.

- Input total amount for each appropriate activity number. (this should match your outline)
- Update project income account balance in the appropriate section.

After the packet is review and approved by grant manager. It will be given to the appropriate parties (Financial Services Director and BOC Chairman) for the final review and signatures to complete.

Make a copy of each packet and prepare it to be sent to Dana Mykytyn NSP Program Manager at DCA.

You will have the notebook copies and audit copies left to make copies once the packets are approved.

DCA NSP Admin. Program Income Process and Procedures:

As of September 1, 2016, NSP grantees will be required to remit four percent(4%) of the PI amount earned to DCA.

1. Home is sold/Program Income earned.
2. Grantee has 4% of program income earned sent via check or wire transfer to DCA.
 - a. **IMPORTANT:** If a wire transfer is transmitted to DCA, be sure to enial NSP staff at (cdbg.biz@dca.ga.gov) the following information (the same day is wire is sent):
 - i. Subject Line of email should read: “DCA NSP Admin”
 - ii. Grantee Number
 - iii. Project Number
 - iv. Project Address
 - v. Date of closing /date of wire transfer (should be the same date)
 - vi. Amount of PI earned at closing
 - vii. 4% of PI earned at closing
 - viii. Wire transfer confirmation number
3. Create disposition draw for project.
 - a. This should be the FINAL draw for this project to include all fees with the exception of final utility bill(s) (to include only the final service period/meter reading).

4. Fill out DCA NSP PI Remittance Form (attached) and attach it to the check/wire transfer confirmation.
5. Submit FINAL project draw (to include copy of final, executed HUD-1 Settlement Statement), completion report and 4% PI check or wire transfer confirmation (attached to the DCA NSP PI Remittance Form) to DCA within 15 business days.
 - a. If not received within 15 business days, the \$4,000 disposition PDC may be forfeited.
 - b. The completion report must be 100% completed and submitted to DCA prior to draw approval.
6. Draws including PI check/wire transfer confirmations should be sent to the following address:

Georgia Department of Community Affairs
NSP Office
60 Executive Park South, NE
Atlanta, GA 30329-2231
7. In addition to reporting program income earned and remitting 4% earned to DCA, grantees will be required to submit to DCA monthly NSP Program Income bank account statements every quarter. DCA will utilize the statmenets to reconcile the total amount of program income earned.

Miscellaneous

- **Trainings and Webinars**

The NSP Coordinator, Grants accountant, and NSP Housing Information Specialist will take advantage of the trainings and webinars offered by HUD and DCA pertaining to NSP.
- **Copy, Requisition & Mileage Logs**

Logs that document NSP-related copies, NSP-related administrative supplies used and requisitioned and NSP-related mileage will be kept on file by the NSP Coordinator and Administration Executive Assistance.

July 26. 2016

Approval of new target areas and activities for NSP 1 &3

Purpose of the Request: Approval to submit a Substantial Amendment to the Georgia Department of Community Affairs NSP program staff for the consideration of an amendment to the current Action Plans for NSP 1 & 3 programs to include the new eligible activities and expand the current target area to include other areas in Hall County that meet HUD scoring standards. Also, to update the NSP policies and procedures accordingly.

- **Low Income Targeting:** Hall County has already met the goal of allocating 25% of the original grant award NSP 1 grant award, to assist families at or below 50% of the Area Median Income to purchase homes. However, we will continue to pursue the goal of assisting this population by providing funds and seeking partnerships to target this community. Continuing to pursue home ownership for low income families is one of the Hall County NSP program priorities.
- **Description of the new activities:**
 - **Acquisition, Rehabilitation and New Construction;** The purchase, rehabilitation, and new construction activities will meet the goals of NSP within the targeted areas to acquire foreclosed and vacant property. The rehabilitation projects will not only focus on code violations, but also NSP rehab standards for energy efficiency. Upon completion, the homes will be sold as affordable housing. Older and blighted housing stock is less likely to improve with market adjustments as the economy improves in the long-run without significant investment in rehabilitation in order to address the decline of values and provide safe, decent and affordable housing for its residents. Testing for environmental hazards (mold, lead, asbestos), as required by local and Federal regulations, will be completed on all properties assisted with NSP funds and proper abatement/remediation and clearance will be obtained prior to occupancy.

- **Demolition and Redevelopment:** The demolition of structures located on selected properties is eligible provided that the structures have been determined to be blighted by the Hall County Government in accordance with the definition of a blighted structure. Once cleared, the property may then be redeveloped through the construction of a single-family home for sale to an NSP eligible household. In certain cases, NSP funds may be used to acquire vacant residential property for single family housing construction and sale to qualified homebuyers. NSP funds can only be used on properties within an NSP target area that are foreclosed, abandoned, or vacant as defined in an NSP grantee’s approved target area.
- **Blighted Structure:** *Note: For the purposes of the Hall County and the State of Georgia NSP, the following definitions shall apply:*
Pursuant to O.C.G.A. 22-1-1 “Blighted property”, means any urbanized or developed property which: (A) Presents two or more of the following conditions: (i) uninhabitable, unsafe, or abandoned structures: (ii) inadequate provisions for ventilation, light, air, or sanitation;
 The definition of “abandoned” has been revised from applying only to a property that has been foreclosed upon and was vacant for at least 90 days to include a residential property where:
 - No mortgage, tribal leasehold, or tax payments have been made for at least 90 days; or
 - A code enforcement inspection has found the property is not habitable and no corrective action has been taken for 90 days after notification; or
 - The property is subject to a court-ordered receivership or nuisance abatement related to abandonment, or it meets a state law definition of abandoned home residential property.

The property is subject to a court-ordered receivership or nuisance abatement related to abandonment, or it meets a state law definition of abandoned home or residential property. NSP was created to address the redevelopment of abandoned and foreclosed homes across the country by, amongst other things, financing the purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties as well as to finance the redevelopment of abandoned or vacant properties.

The NSP was created by Title III of the Housing and Economic Recovery Act of 2008 (“HERA”) and the first round of NSP (NSP 1) was funded under the HERA.

The definition of “foreclosed” has been revised from applying only to properties where the foreclosure process was completed to applying to properties where:

- The owner is at least 60 days delinquent on the mortgage (under the Mortgage Bankers of American delinquency calculation) and the owner has been notified.
 - The owner is 90 days or more delinquent on tax payments; or
 - Foreclosure proceeding have been initiated or completed; or
 - Foreclosure has been completed and title transferred to an aggregator or services that are not the NSP grantee, developer, sub-recipient, or end user.
-
- **3. Target Areas:** Hall County proposes to enlarge the project area of the NSP 1 programs by the addition of seven eligible census tracts. Those tracts are 3.01, 3.02, 10.02, 14.02, 16.01, 16.02 combined with prior approved tracts. The tracts requested in this amendment have both concentrated and spot areas of foreclosures and blight. The new activities will permit the NSP staff and partners to purchase, rehabilitate, redevelop, and transfer foreclosed/abandoned properties for the purpose of stabilizing neighborhoods in Hall County. The intent of the program will not change nor will the scope of activities and beneficiaries will continue to feature a 25% set aside of expenditures targeted to families with incomes at or below 50% Area Median Income (AMI). County staff will continue to utilize those same methods for ensuring continued affordability is applied to the program procedures. However, the expansion of the zones will provide the ability to address even greater needs. Expanding the target area will enable Hall County to carry out the same specific, eligible NSP activity authorized by HUD in 2009 and further stabilize housing conditions. Hall County NSP 3 regions will focus on eligible census tracts that meet the required HUD Foreclosure and Abandonment Risk Score of a 17 or higher. The mandatory scoring is based on actual foreclosures, the percentage of high cost loans, and the predicted foreclosure rate over the next 18 months. According to the most recent scoring, 18 of the 22 census tracts in Hall County meet this requirement. The current NSP 1 action plan only represents 8 of the 22 census tracts. The census tracts are 1, 7, 8, 11, 12, 13, 10.01, 11, 12, 13 and 14.01. In order to address the need in distressed communities supported by the approval of HUD Risk score, Hall County NSP 3 program would like to request an amendment to include the following eligible Census tracts for NSP activities: 3.1, 3.02, 10.02, 14.02, 16.01, 16.02, and 16.03. The addition of these census tracts will add opportunities to implement eligible NSP program activities in the North-Western and Southern portions of Hall County that were not eligible during the time to initial original action plan and first substantial amendment were submitted for target area expansion,

