

January 9, 2009

From: Mark Coker, Local Government Affairs Committee Chairman

RE: Neighborhood Stabilization Program for Douglas County

To our West Georgia Board Members and Affiliates,

I attended the Douglas County public hearing on Wednesday January 7, 2009. I am including a summary of the discussion but I would encourage all agents and brokers who work in Douglas County to research this and email me with your feedback as soon as possible. You'll find the basic plan description and a link to the complete plan from The Georgia Department of Community Affairs (DCA) at the end of this email.

Mark Teal led the presentation at the public hearing. You can contact Mark at:

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**State Action Plan Priorities:**

1. Priority within low, moderate and middle income areas.
2. Each sub-recipient must use at least 25% of their fund to assist those at or below 50% of Area Median Income (AMI)

Note: For Douglas County, this amount is \$936,065

3. Properties must be purchased at an overall discount of 15% as verified by an appraisal made within 60 days of purchase.
4. The DCA proposes to adopt the HOME program standards to be in compliance with HUD's affordability standard.

**Eligible Activities:**

1. Establish financing mechanisms for purpose and redevelopment of foreclosed properties:
  - 0% interest soft seconds
  - Down Payment assistance
2. Purchase and rehab residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such properties.
3. Establish land banks for homes that have been foreclosed upon.
4. Demolished blighted structures.
5. Redevelop demolished or vacant properties.

Total Budget:

Total NSP grant funds \$3,744,262  
Administrative funds \$224,655 (6% of the NSP)

50% or under AMI \$936,065 (25% of the NSP)  
51%-80% of AMI \$387,531 (10.35% of the NSP)  
81%-120% of AMI \$2,196,011 (56.65% of the NSP)

The timeline is an important point to think about. Applications for direct allocation must be received by January 15, 2009. Once Douglas County submits the application, the DCA will announce Direct Allocation awards on or about February 20, 2009. The county will have 18 months from the time of approval to “use” the funds. It’s my understanding that the funds have to be earmarked in 18 months but the County must complete the program within four years.

The proposal must show clear readiness to proceed with specific activities.

For questions about NSP please click [Here](#) .

Douglas County is 3<sup>rd</sup> in the State for areas of greatest need.

Chris Collier, The Executive Officer of Westside Home Builders association, made some good points regarding The NSP. He suggested that instead of allocating as much as \$25,000 for down payment assistance, the program should make 5% available for down payment assistance and the remaining balance to be made as a loan to renovate or repair the home and bring it up to livable standards. He suggested we model this local plan after the 203k plan where potential buyers can borrow to make necessary repairs.

**The Georgia Neighborhood Stabilization Program (Title III of HR3221)**

The CDBG Neighborhood Stabilization Program, which is Title III of the Housing and Economic Recovery Act of 2008, H.R. 3221, is a new program designed to assist local governments to purchase abandoned and foreclosed properties.

You can read the NSP action plan [Here](#)

*Mark  
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This information is believed to be correct but not guaranteed.

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