

**State of Georgia
Neighborhood Stabilization Program**

**Publication of Proposed NSP 3 Action Plan
And
Intent to File a Notice of Funding Availability**

Overview of Neighborhood Stabilization Program

The purpose of the Neighborhood Stabilization Program 3 (NSP 3) is to provide additional financial assistance to areas of greatest need through local governments for areas affected or likely to be affected by foreclosed and abandoned residential properties. Local governments and/or authorized sub-recipients may use the financial assistance for the discounted purchase of abandoned and foreclosed homes while providing affordable rental and homeownership opportunities to households individually or in areas at or below 120% of Area Median Income (AMI).

See <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nsp3.cfm>

In accordance with the Department of Housing and Urban Development's (HUD's) 10/19/2010 Federal Register Notice, the Department of Community Affairs (DCA) has expedited the development of a proposed Action Plan for distribution of approximately \$18.6 million in NSP 3 funding from HUD in accordance with the provisions of Dodd-Frank Wall Street Reform and Consumer Protection Act.

Comments on Action Plan Requested

View the proposed Action Plan at <http://www.dca.state.ga.us/communities/CDBG/programs/nsp3.asp>. The Department requests comments on the proposed Action Plan from all citizens; however, commentary is especially sought from local governments, potential sub-recipients, banks and realtors in the areas of "greatest need" as described within Section 2 of the proposed Action Plan and who are involved or plan to be involved in the sale of "real estate owned" residential properties in blighted neighborhoods within the 120% of AMI areas described above.

The proposed Action Plan describes the DCA's proposal to undertake its distribution of State NSP 3 funds using two methods: 1) a formula analysis of need and initial allocation to the jurisdictions of greatest need meeting threshold criteria (Direct Allocation Pool); and 2) the undertaking of direct NSP activities through the Georgia Housing and Finance Authority (Affordable Rental Housing Development). The Proposed Plan also lists details on eligible applicants, eligible sub-recipients, eligible activities, implementation periods and application protocols for both methods of distribution.

The public comment period for the proposed Action Plan will run from February 11, 2011 through February 25, 2011 at 5:00 P.M. A public hearing to discuss the proposed Plan will be held February 18, 2011 at 10:00 a.m. in DCA's central office in the 3rd floor boardroom. You may submit comments through email to nsp.sacomments@dca.ga.gov or via hand delivery to the central office or the U.S. Postal Service to DCA's central office at the address below.

Intent to File a Notice of Funding Availability (NOFA)

Local governments and potential sub-recipients eligible and interested in applying for NSP 3 funding should review the law, HUD Notice and DCA's "final proposed" Action Plan (which will be updated pursuant to public comments following the comment period) before finalizing a local plans or applications. On March 1, 2011, DCA will submit its Action Plan Amendment to HUD and simultaneously publish our NOFA. DCA anticipates that the NOFA will set the **due date for applications for the formula Direct Allocation Pool as March 31, 2011 at 5:00 p.m.**

Schedule of Milestones (to be adjusted based on date of HUD's approval of State Plan)

<u>Date</u>	<u>Milestone</u>
02/10/11	DCA publishes Proposed Action Plan and NOI to publish a NOFA for comment
02/18/11	Public meeting to review and answer questions Action Plan and upcoming NOFA
02/25/11	Public comment period on proposed Action Plan ends
03/01/11	DCA Final Action Plan updated and submitted to HUD
03/01/11	NSP NOFA published
03/15/11	Regional/Joint Applicants must submit Notice of Intent to apply to DCA
03/31/11	(Tentative) Action Plan approval and agreement with HUD
03/31/11	Local NSP applications for formula Direct Allocation due to DCA
04/01/11	Tentative DCA evaluation & review panel meeting begins
04/30/11	Tentative DCA evaluation & review panel meeting ends
05/01/11	Notice of Formula Allocations to Recipients
05/16/11	Formula Direct Assistance Agreements signed & implementation begins
06/30/11	DCA Submits second NSP 3 amendment to HUD detailing final need and target area mapping information

References to Specific Action Plan Sections

See <http://www.dca.ga.gov/communities/CDBG/programs/nsp3.asp> for a copy of the proposed Action Plan. For assistance in reviewing the proposed action Plan, specific sections are referenced below.

Section 1 - Grantee Information

Section 2 – Determination of Areas of Greatest Need

- (A) Description of the State Need Formula (Details in Appendix 1)
- (B) State Need Formula’s Correlation with National Formula
- (C) Submission of Requests for Funds from Local Jurisdictions
- (D) Use of State Assistance Agreements to Prioritize Needs in High Risk Areas
- (E) Eligible Uses of Assistance to Address Needs (NSP 3 Activities)
- (F) Provisions for Counseling, Mortgages and Other Limitations
- (G) Citizen Participation and Advisory Group
- (H) Distribution Methods and Use of Funds
 - (1) Distribution of Funds and Direct State Undertakings
 - (2) State Allocation Amount Available
 - (3) Administration, Grant/Loan Management, Monitoring and Reporting
 - (4) Amendments and Reallocations
 - (5) Details on Direct Allocation Method of Distribution
 - (6) Details on Affordable Rental Housing Development Pool Method of Distribution
- (I) Joint Agreements with NSP 3 Entitlements

Section 3 – Definitions and Descriptions

- (1) Blighted Structures
- (2) Affordable rent
- (3) Long Term Affordability
- (4) Rehabilitation Standards

Section 4 – Low-Income Targeting Description

Section 5 – Acquisition and Relocation Description

Section 6– Public Commentary

Section 7 – Individual NSP Activity Information

Section 8 -- Certifications

Allocation Formula Method Application Format

The application materials for the Direct Allocation Pool will be made available on DCA's website by March 1, 2011.

Questions

Please direct questions regarding this announcement or the overall Action Plan to Glenn Misner at (404)-679-3138, or Brian Williamson at (404)-679-1587 or by e-mail to nsp.questions@dca.ga.gov.

Send Correspondence to:

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