

Proposed Neighborhood Stabilization Program Application

City of Columbus 2008 Action Plan Amendment

Jurisdiction(s): Columbus, Ohio	NSP Contact Person: Philip Carter
Jurisdiction Web Address: www.columbus.gov	Address: 90 West Broad Street Columbus, Ohio 43215
	Telephone: 614-645-7492
	Fax: 614-645-7139
	Email: pdcarter@columbus.gov

As a result of the Housing and Economic Recovery Act of 2008, the U.S Department of Housing and Urban Development (HUD), is allocating \$3.92 billion nationally to particularly hard-hit areas trying to respond to the effects of high foreclosures. HUD's new Neighborhood Stabilization Program (NSP) will provide targeted emergency assistance to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight.

The City of Columbus (city) was awarded \$22,845,495 of NSP funds from HUD. This funding is provided through HUD's Community Development Block Grant (CDBG) program. On November 7, 2008, the city will begin a 15 day public comment period on this proposed NSP plan and will accept public comments through November 22, 2008. Columbus City Council will hold a public hearing on the proposed plan November 19, 2008 at 5:30 in the City Council Chambers. The city will submit the NSP application to HUD by December 1, 2008. The city's NSP application and plan will be an amendment to the Consolidated Plan's 2008 Action Plan.

The remainder of this application contains responses to HUD's application format (in italics) followed by the City's responses.

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data, in developing this section of the Substantial Amendment.

City of Columbus Response:

Summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

In the analysis of data related to the Neighborhood Stabilization Program (NSP) application, the City of Columbus (Columbus) examined data published by HUD under

the NSP program and data provided at the local level by Columbus Staff and other local entities. As required under Section 2301(c)(2) of the Housing and Economic Recovery Act (HERA), the data is focused on three areas: 1. areas with the greatest percentage of home foreclosures, 2. areas with the highest percentage of homes financed by a sub-prime mortgage related loan, and 3. areas identified as likely to face a significant rise in the rate of home foreclosures. The data suggests a consistent pattern of areas most affected by foreclosures and the amount of vacant housing.

HUD Data

HUD provided each jurisdiction receiving a NSP allocation data to suggest which areas currently experience foreclosure related problems and areas that may experience foreclosure related problems in the future. Each dataset is based either at the Census Block Group or Census Tract level and draws upon data from several sources that are used to predict whether or not a neighborhood has a high or low risk for foreclosed and abandoned homes. **Map One** illustrates which Census Block Groups within the City of Columbus scored the highest (worst) risk score for foreclosure and abandonment—a score of 10 on a scale between 1 and 10. **Map Two** shows which Census Block Groups within the City of Columbus have a high predicted “underlying problem foreclosure rate” based on data from the previous 18 months. The data sources used to compute the risk scores for each of these two maps are the same data sources used by HUD to determine allocations to each jurisdiction. Census Block Groups with 51% or more of the population with 120% or less Area Median Income are shown on **Map Three**.

Local Data

A local non-profit research center, Community Research Partners (CRP) has performed extensive research on foreclosure filings and properties sold at the Franklin County Sheriff’s Sale within the City of Columbus. **Map Four** illustrates those areas within the City with the greatest numbers of foreclosure filings per square mile, between January 2007 and March, 2008. A measurement of density (as opposed to percentage) highlights areas with a mass of properties under foreclosure. **Map Five** highlights areas with the greatest density of properties subject to Sheriff’s Sale between January, 2005 and March, 2008. The Areas with the highest density of mortgages with high interest rates are shown on **Map Six** (data originates from Real Quest June, 2008).

The City of Columbus Department of Development tracks properties with vacant structures. As of October, 2008 the Vacant Housing list contains over 4,600 residential properties, excluding those that are momentarily vacant (for sale, for rent, etc.). Typically, these properties have been vacant for more than 6 months.

Conclusions

The above described maps illustrate a large number of foreclosures and vacant structures in the center city neighborhoods around downtown. **Map Seven** combines the two HUD Datasets and the City Vacant Housing List. The areas colored brown represent those with a “foreclosure and abandonment” risk score of 10 and an “underlying problem foreclosure rate” of 12.05%, the 75th percentile for the City. The map contains points representing vacant structures, generally suggesting a strong relationship between these three datasets. This data highlights the areas of Columbus in which the City will focus

the majority of its NSP resources. The city will undertake additional research on this data and complete a market analysis to determine what eligible activities are best suited for each area.

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. Note: The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

City of Columbus Response:

Foreclosed and vacant properties exist throughout the City, with pockets of abandoned and vacant properties affecting most Columbus neighborhoods—even neighborhoods that are otherwise stable. In fact, many areas outside the ones identified on Map 7, have high “abandonment and foreclosure” risk scores and many vacant properties. For this reason, the City will utilize its Land Banking efforts, such as demolition, property maintenance, and select acquisition, in an extended area. Map Three illustrates census block groups that qualify for NSP assisted Land Banking efforts. Although most Land Banking efforts will be focused on the areas of greatest need, the City anticipates some of these activities to occur throughout qualifying areas of the City, as defined in Map 3.

In general, the data examined by City Staff exhibits a concentrated pattern of home foreclosures, Sheriff Sales, and subprime mortgages in the neighborhoods around downtown Columbus and surrounding areas. These areas also contain a high number of structures on the City's Vacant Structures list. This is not to say vacant and foreclosed properties are confined strictly to these areas, but rather these areas have the highest concentration of foreclosures, vacant properties, mortgages with high interest rates, and evidence of this trend to continue (high vacancy rate, high predicted underlying problem foreclosure rate). The majority of NSP funds will focus on these areas, such as those areas highlighted on Map Seven. These funds will be use for the acquisition of abandoned and foreclosed properties, demolition of blighted structures, and the rehabilitation and redevelopment of vacant properties. Fortunately, several dedicated not-for-profit organizations work to revitalize these areas and they, along with for profit development organizations, will help the City in these efforts. As the City prepares to distribute the NSP funds, it will study what types of activities should occur and where (such as identifying the areas are most suitable for homeownership projects), determine what other resources can be leveraged, and create a fair and open process by which the funds are distributed.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

City of Columbus Response:

Definition of “blighted structure” in the context of state or local law (building/housing code):

In 2004, the City of Columbus updated the Columbus City Code (CCC) as a response to the increase of vacant structures (see Section 47 CCC link: <http://ordlink.com/codes/columbus/>). The update includes a set of definitions of structures deemed to constitute a public nuisance and establishes a process by which a structure is classified as a hazardous building. A building classified as hazardous is, by definition, both unoccupied and in substantial violation of one or more City codes related to building, housing, nuisance abatement, fire, health, etc. Once identified as hazardous, a notice is affixed to the building declaring the hazard and is noted as such in City records. For the purposes of NSP funded demolitions, any structure that is vacant and considered in violation of City building, health, housing, or nuisance abatement Codes will qualify as a “blighted structure” under the NSP rules and may be subject to demolition.

In addition, City Building Officials may declare a building unsafe for human habitation under State of Ohio and Columbus Building Codes and order the demolition of that building. In such cases, the City will be obligated to demolish the building or correct the Building Code Violation(s).

(2) Definition of “affordable rents.” Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

City of Columbus Response:

Definition of “affordable rents” for purposes of the NSP Program

The City will use the HUD Income Guidelines for the Columbus MSA and rents will be capped at 30% of the 50% Area Median Income with allowance for utilities (HUD-52267 Metropolitan Housing Authority Section 8 utility allowances). The maximum allowable rent for each year will be based on the rents as established by HUD for that year.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

City of Columbus Response:

Continued affordability for NSP assisted housing

The length of continued affordability will be governed by the rules as established by HUD for the HOME Investment Partnerships Program. Sites funded by the City will have both a mortgage and restrictive covenant with recapture requirement in the event that the term of affordability is not met. Recapture of any funds will be out of net

proceeds of sale. Continued affordability of homeownership properties will be assured based on the liens on the title of each home from the mortgage and restrictive covenant. Any change in ownership will require notification to the city because it is in the chain of title. Continued affordability of rental and short term lease-purchase properties will be documented with annual owner reports to the city indicating occupancy of each unit, the income of the occupants and the rents charged for each unit. The city will reserve the right to monitor the units during the affordability period.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

City of Columbus Response:
Housing rehabilitation standards

Standards for All Projects

All renovation work will be performed by City of Columbus Home Improvement Contractor (HIC) licensed contractors and licensed trade contractors.

All renovation work will comply with all City of Columbus, Ohio Building, CABO, OBOA current building and housing codes.

All lead work will be performed by State of Ohio licensed lead abatement contractors and all renovation work will be performed by certified lead safe workers.

All projects will use energy efficient and green material/products as specified in work specifications and will meet or exceed Energy Star and Enterprise Community Partners Green Communities mandatory criteria for substantial rehabilitation.

All projects will be in compliance with HUD Environmental Review Regulations found at 24 CFR Part 58.

All work standards will meet or exceed the City of Columbus's Performance Manual for housing rehabilitation programs.

All construction will be performed at the highest quality and in a timely fashion. All workmanship is covered under an 18 Month Building Industry of America Approved Warranty.

Final inspection, commissioning, energy audit and lead safe clearance will be conducted on every unit.

Pre-development
Preliminary Inspection

An on-site preliminary inspection will be conducted to determine whether "gut-to-the-studs" is appropriate, and whether or not the unit is feasible for further pre-development work and renovation.

Structural Inspection

To determine integrity of the structure, a licensed Structural Engineer will perform an inspection and provide a letter of opinion. This letter is stamped with the engineer's seal from the State of Ohio. The engineer's letter and architectural plans will be used in correlation to renovate the structure.

Sewer Inspection

A sewer camera will be used to determine the status of the sewer and at that time a recommendation will be made for replacement or not.

Architectural Specifications

Includes instructions for: fireproofing/rating, (per code as needed), specifications for bearing walls, structural reinforcement including new headers for windows and doors, applying modern building codes to floor systems (reinforcing floor joists with 2x8 or 2x10 as needed) and adding steel beams if a determination is made that the old balloon system is not able to support the new load during renovation (structural inspection input).

Pre-Renovation Standards

Construction Waste Management/Deconstruction Management

Develop and implement a construction waste and deconstruction management plan to reduce the amount of material sent to the landfill and increase recycle/reuse

Gut to Studs

As determined in pre-inspection the property is to be completely gutted, allowing for lead, rodent and pest abatement. All bearing walls are marked. Structure is cleaned and all nails pulled from the studs. Property is to be cleared of all electrical wiring and fixtures, all plumbing lines and drains, and old HVAC systems. Property is then boarded up to code until renovation construction begins. If gut to studs is not appropriate, rehabilitation will be done based on work specifications noted below.

Recycled Materials

Conduct research of materials with a recycled content to use in projects and specify for each project as appropriate and feasible.

Work Specifications

All projects will have renovation work specifications used for bidding and construction management. Work specifications will be written to ensure building performance is achieved for energy efficiency, indoor air quality, and water management standards. In addition work specifications will incorporate additional green, renewable, healthy home, lead safe housing standards, visitability and accessibility features as appropriate and feasible, as well as meeting appropriate Columbus housing and building code.

Post Renovation Standards

Contractor Warranty

All construction will be performed at the highest quality, in a timely fashion. All workmanship is covered under an 18 Months Building Industry of America Approved Warranty.

Commissioning/Green Certified

Final inspection, commissioning, energy audit and lead safe clearance will be conducted on every unit. All units will meet or exceed Energy Star and Enterprise Community Partners Green Communities mandatory criteria.

Building Maintenance Manual

Provide a manual that includes the following: a routine maintenance plan; instructions for all appliances, HVAC operation, water-system turnoffs, lighting equipment, paving materials and landscaping, pest control and other systems that are part of each occupancy unit; an occupancy turnover plan that describes the process of educating the tenant about proper use and maintenance of all building systems.

Occupant Manual

Provide a guide (compact disc and/or printed) for homeowners and renters that explains the intent, benefits, use and maintenance of green building features and encourages additional green activities such as recycling, gardening and use of healthy cleaning materials, alternate measures for pest control, and purchase of green power.

Homeowner and New Resident Orientation

Provide a walk-through and orientation to the homeowner or new resident using the Occupant Manual that reviews the building's green features, operations and maintenance along with neighborhood conveniences.

D. LOW INCOME TARGETING

*Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income. **Note:** At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 % of area median income.*

City of Columbus Response:

Estimated amount of funds for housing individuals or families at 50% or less of area median income (AMI).

Based upon the award to Columbus of \$22,845,495, the minimum amount that must be dedicated to households at or below 50% of the AMI is **\$5,711,374** plus 25% of any program income. Columbus expects to exceed that amount.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- *The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.*
- *The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).*
- *The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 % of area median income.*

City of Columbus Response:

As shown on the proposed budget, the City of Columbus anticipates using the majority of the NSP funds to acquire, renovate, redevelop, and demolish foreclosed and abandoned properties. By focusing on areas of greatest need, it is likely that most properties acquired with NSP funds will be low- and moderate-income dwelling units. Based on the proposed budget, the City will acquire approximately **150** dwelling units. A total of **130** units will be demolished – some of the units acquired with NSP funds and some units already owned by the city’s land bank. It is presumed that the units demolished will all have previously been low and moderate income dwelling units. Additionally, the City anticipates the development of **111** dwelling units made available to low-, moderate-, and middle-income households with **75** of those units made available for households whose income does not exceed 50% AMI.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

City of Columbus Response:

To be completed after Public Comment period

G. ACTIVITY #1 *NSP INFORMATION BY ACTIVITY*

(1) Activity Name: **NEIGHBORHOOD STABILIZATION FUND**

(2) Activity Type: NSP Eligible Uses – Activities B. and E.: CDBG Eligible-24 CFR 570.201 & 202; HUD Matrix - 14A, 14B, 14F, 14I and 12

(3) National Objective: LMMH and LMMC

(4) Projected Start Date: January 2009

(5) Projected End Date: July 2013

(6) Responsible Organization: City of Columbus, Department of Development 50 W. Gay St. Columbus, OH 43215; Director Boyce Safford III

(7) Location Description: Activities will be focused within the areas of greatest need as described in “A. **AREAS OF GREATEST NEED**” and Map 7.

(8) Activity Description:

Gut to Studs Program: A pre-inspection will determine whether residential structures acquired by the Land Bank with NSP funds are to be completely gutted. If deemed feasible and appropriate, the structure will be gutted allowing for lead, rodent and pest abatement. All bearing walls are marked. Structure is cleaned and all nails pulled from the studs. Property is to be cleared of all electrical wiring and fixtures, all plumbing lines and drains, and old HVAC systems. Property is then boarded up to code until renovation construction begins. If gut to studs is not appropriate, the property will be boarded to code until renovation can be done based on rehabilitation work specifications.

Homeownership Opportunities Program: provides construction and permanent financing (e.g. loans, grants, equity positions and soft second mortgages) for the rehabilitation or redevelopment of vacant, abandoned or foreclosed single family properties that have been acquired in designated NSP Areas of Greatest Need. Eligible activities include housing rehabilitation, new construction of residential housing, financial assistance to eligible homebuyers, short term (36 months or less) lease purchase housing and homebuyer counseling/education. This program will reduce the number of vacant, abandoned and foreclosed residential properties, increase the number of decent, safe and sanitary occupied residential properties, and increase the rate of homeownership in the City's designated NSP Areas of Greatest Need.

Rental Opportunities Program: provides construction and permanent financing (e.g. loans, grants and equity positions) for the rehabilitation or redevelopment of vacant, abandoned or foreclosed multi family properties that have been acquired in designated NSP Areas of Greatest Need. Eligible activities include housing rehabilitation and new construction of residential housing for eligible tenant households. This program will reduce the number of vacant, abandoned and foreclosed multi-family residential

properties and increase the number of available decent, safe and sanitary occupied residential properties in the City's designated NSP Areas of Greatest Need.

Financing mechanisms will include interest rates ranging from 0% to an interest rate not to exceed AFR (Applicable Federal Rate). Financing will include construction financing, loans, forgivable loans, equity positions and grants to be used for development and/or affordability gap financing. City of Columbus will provide financing to nonprofit and for profits developers to accomplish this activity. Households at 50% AMI may benefit from this activity, therefore counting toward the 25% statutory requirement. Contract services may include market analysis, homebuyer counseling, energy auditing, and training for contractors and other related services. Continued affordability will be governed by the rules as established by HUD for the HOME Investments Partnership Program. Sites funded by the City will have both a mortgage and restrictive covenant with recapture requirement in the event that the term of affordability is not met. Recapture of any funds will be out of net proceeds of sale.

I. Total Budget: (Include public and private components). The initial budget from NSP funds is \$6,586,047. Private components are not included, presuming a worst-case scenario although private funding from the sale of homeownership and rental units is anticipated as program income. A best case scenario would include leveraging private funds on a 2:1 or 3:1 basis resulting in an additional \$13,455,824 to \$20,183,736 of funding for the effort.

J. Performance Measures: Initial performance measures for use of the funds prior to generation of program income is a total of 70 units. Seventy units will be gutted to the studs. Thirty six (36) units will be redeveloped either by new construction or substantial rehabilitation. A limited number of units will be able to be rehabilitated with limited cost due to condition at acquisition. All units will be affordable to households at or below 120% AMI with an estimate that no units will be affordable to households at or below 50% AMI, 16 units will be affordable to households at or below 80% AMI and 20 units will be affordable to households at or below 120% AMI.

G. ACTIVITY #2 *NSP INFORMATION BY ACTIVITY*

(1) Activity Name: **ACQUISITION AND DEMOLITION FUND**

(2) Activity Type: NSP Eligible Uses – Activity C & D.: CDBG Eligible - 24 CFR 570.201(a) & (b) & (d); HUD Matrix – 14G and 01, and 02

(3) National Objective: LMMA

(4) Projected Start Date: January 2009

(5) Projected End Date: July 2013

(6) Responsible Organization: City of Columbus, Department of Development 50 W. Gay St. Columbus, OH 43215; Director Boyce Safford III

(7) Location Description: Activities will be focused within the areas of greatest need as described in “A. *AREAS OF GREATEST NEED*” with eligible acquisitions in areas noted on Map 3 with as much emphasis as possible in areas noted on Map 7.

(8) Activity Description:

The City of Columbus Land Redevelopment Office (Land Bank) will coordinate the acquisition of property with funds provided by NSP and utilize a three-part strategy within the Areas of Greatest Need as described in Maps 3 and 7. First, the Land Bank will negotiate with those entities that hold large inventories of foreclosed properties including banks, HUD, Fannie Mae, etc. The Land Bank will focus on obtaining bulk purchases of these properties located within the areas identified with the greatest need. It is anticipated this strategy will result in the majority of the acquisition inventory and a large increase in the Columbus Land Bank holdings. However, this strategy may result in a supply of houses scattered throughout these areas. Some of these sites may be sold to nonprofit and for profit development organizations to redevelop without NSP funds. In addition to the bulk purchases, a second strategy will include acquisitions to complement the bulk purchases and gain properties in close proximity to each other, for focused redevelopment opportunities. The Land Bank will work with local community development organizations to accumulate an inventory suitable for neighborhood redevelopment projects. Third, the Land Bank will seek to acquire abandoned and blighted properties specifically for demolition.

A portion of the funds designated for this activity may be used to meet the low income requirement for those at 50% AMI and below.

HERA mandates acquisition of property at a discount from current market value. The Land Bank will coordinate appraisals of properties. The Land Bank will negotiate purchasing discounts and seek an average discount of at least 15% from the current market values. No property will be purchased for less than 5% of its market value.

The City of Columbus has the option of an average purchase discount of at least 10 percent if the City provides a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds. The procedure is as follows:

1. Obtain a URA compliant appraisal of current market value.
2. Subtract assumed holding costs, consisting of:
 - a. Estimated Real Estate Taxes due for the next payment at a minimum of 6 months (RE taxes are billed twice a year, in January and June of each year for the prior 6 month period, the assumed discount will be estimated taxes for the subsequent 6-month period);
 - b. Estimated insurance cost incurred for 6 months;
 - c. Estimated maintenance and interim repair cost incurred for 6 months;
 - d. Estimated market value appreciation or depreciation for 6 months;
 - e. Estimated interest incurred for 6 months.
3. Subtract assumed seller/services costs, consisting of:
 - a. Third party/ administration costs for 6 months, including marketing, overhead;
 - b. Brokerage fee/cost of sale (if property is not obligated by a listing contract);

Contract services may include appraisals, engineering, demolition, maintenance, title search and other related services. The Columbus Land Bank currently manages several maintenance contracts for its existing inventory and will use NSP funds to expand those contracts to maintain foreclosed properties.

I. Total Budget: (Include public and private components) The initial budget from NSP funds is \$6,510,000. Private components are not anticipated as part of these efforts although private funding from the sale of parcels acquired is anticipated as program income.

J. Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent): Initial performance measures for the use of the funds prior to generation of program income is the acquisition of 150 units. A total of 130 units will be demolished, all of which are presumed to be low or moderate income units. The units demolished will be units acquired with NSP funds or units already held by the Columbus Land Bank.

G. ACTIVITY #3 *NSP INFORMATION BY ACTIVITY*

(1) Activity Name: **50%AMI FUND**

(2) Activity Type: NSP Eligible Uses – Activities B. and E.: CDBG Eligible-24 CFR 570.201 & 202; HUD Matrix - 14A, 14B, 14F, 14I and 12

(3) National Objective: LMMH

(4) Projected Start Date: January 2009

(5) Projected End Date: July 2013

(6) Responsible Organization: City of Columbus, Department of Development 50 W. Gay St. Columbus, OH 43215; Director Boyce Safford III

(7) Location Description: Activities will be focused within the areas of greatest need as described in “A. *AREAS OF GREATEST NEED*” and Map 7.

(8) Activity Description:

Homeownership Opportunities Program: provides financing (e.g. loans, grants, soft second mortgages) for the rehabilitation or redevelopment of vacant, abandoned or foreclosed single family properties that have been acquired in designated NSP Areas of Greatest Need. Eligible activities include housing rehabilitation, new construction of residential housing, financial assistance to eligible homebuyers and homebuyer counseling/education. This program will reduce the number of vacant, abandoned and foreclosed residential properties, increase the number of decent, safe and sanitary occupied residential properties, and increase the rate of homeownership in the City's designated NSP Areas of Greatest Need. Because of the low income population served, the city will make every effort to provide funds for this activity in instances in which additional subsidy is being leveraged from other sources including very low interest loans and other sources of development and affordability subsidy. An example of this kind of subsidy would be homeownership development done by Habitat for Humanity of Greater Columbus.

Rental Opportunities Program: provides financing (e.g. loans, grants and equity positions) for the rehabilitation or redevelopment of vacant, abandoned or foreclosed multi-family properties that have been acquired in designated NSP Areas of Greatest Need. Eligible activities include housing rehabilitation and new construction of residential housing for eligible tenant households. This program will reduce the number of vacant, abandoned and foreclosed multi-family residential properties and increase the number of available decent, safe and sanitary occupied residential properties in the City's designated NSP Areas of Greatest Need. In order to leverage funds for this effort, rental development entities will be encouraged to seek low income housing tax credits from the Ohio Housing Finance Agency. Recognizing the competitive nature of this resource, it will not be the only strategy employed.

Financing mechanisms will include interest rates ranging from 0% to an interest rate not to exceed AFR (Applicable Federal Rate). Financing will include construction financing, loans, forgivable loans, grants and equity positions to be used for development and/or affordability gap financing. City of Columbus will provide financing to nonprofit and for profit developers to accomplish the activity. Only households at 50% AMI will benefit from this activity, therefore counting toward the 25% statutory requirement. Continued affordability will be governed by the rules as established by HUD for the HOME Investment Partnerships Program. Sites funded by the City will have both a mortgage and restrictive covenant with recapture requirement in the event that the term of affordability is not met. Recapture of any funds will be out of net proceeds of sale.

I. Total Budget: \$5,800,000

J. Performance Measures

- a. 25 homeownership units (50% AMI and below)
- b. 50 rental units (50% AMI and below)

G. ACTIVITY #4 *NSP INFORMATION BY ACTIVITY*

(1) Activity Name: **ADMINISTRATION**

(2) Activity Type: NSP Eligible – Yes: CDBG Eligible- 24 CFR 570.205 and 206; HUD Matrix - 21A

(3) National Objective: N/A

(4) Projected Start Date: January 2009

(5) Projected End Date: July 2013

(6) Responsible Organization: City of Columbus, Department of Development 50 W. Gay St. Columbus, OH 43215; Director Boyce Safford III

(7) Location Description: N/A

(8) Activity Description:

Department of Finance and Management, Grants Management - The Grants Management staff will assist in the administration of the Neighborhood Stabilization Program in a variety of financial and regulatory areas. Activities will include financial management, program monitoring, technical assistance, regulatory compliance, completion of required environmental reviews, loan servicing, prevailing wage compliance, project eligibility issues and the preparation of required federal reports. Major Components: Staff salaries, Advertising (publication of public notices), and Loan servicing costs (AmeriNational contract).

Department of Development Fiscal Office - The staff of the Development Fiscal Office will assist in the administration of the Neighborhood Stabilization Program in a variety of financial and regulatory areas. Activities will include financial management, and data entry in the DRGR (HUD's reporting system).

Department of Development Land Redevelopment Office (Land Bank) - Staff will coordinate the acquisition of property with funds provided by NSP and utilize a three-part strategy within the Areas of Greatest Need as described in Maps 3 and 7. The Neighborhood Services staff will assist the Land Redevelopment Office with environmental nuisance abatement activities.

Department of Development Housing Division - Staff will be developing financing mechanisms, processing applications and financing for housing development. Staff will also be providing construction management services to housing projects. A market analysis will be conducted through contracted services to determine what housing activities should be implemented in specific geographic areas within the identified Areas of Greatest Need.

I. Total Budget:

- a. Administration \$1,008,014
- b. Project Delivery – Staff Costs \$2,941,434

The amounts listed above represent costs for multiple years.

J. Performance Measures N/A

Map 1

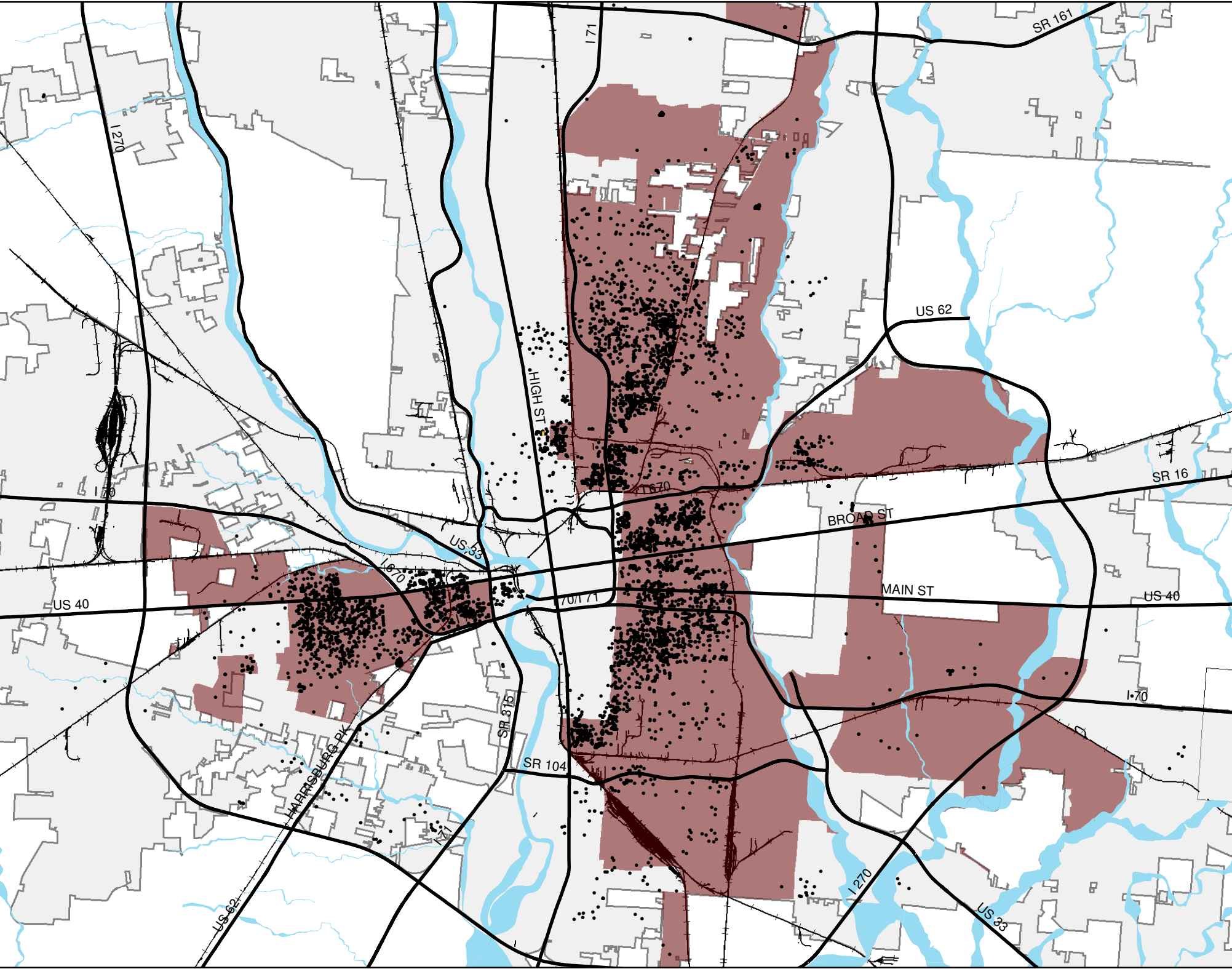
Estimated Foreclosure and Abandonment Risk

City of Columbus

HUD Foreclosure and Abandonment Risk, brown (a risk score of 10) are areas within the highest risk category.

Points represent structures on the Vacant Housing Application City of Columbus September, 2008.

Estimated Foreclosure and Abandonment Risk is a score of 1 to 10, where 10 indicates that the area is in the highest 10 percent of risk nationwide for foreclosure and abandonment based on the combination of HUD's foreclosure risk estimate and vacancy rate. 1 indicates the lowest risk.



November, 2008
By J. Turner



Map 3

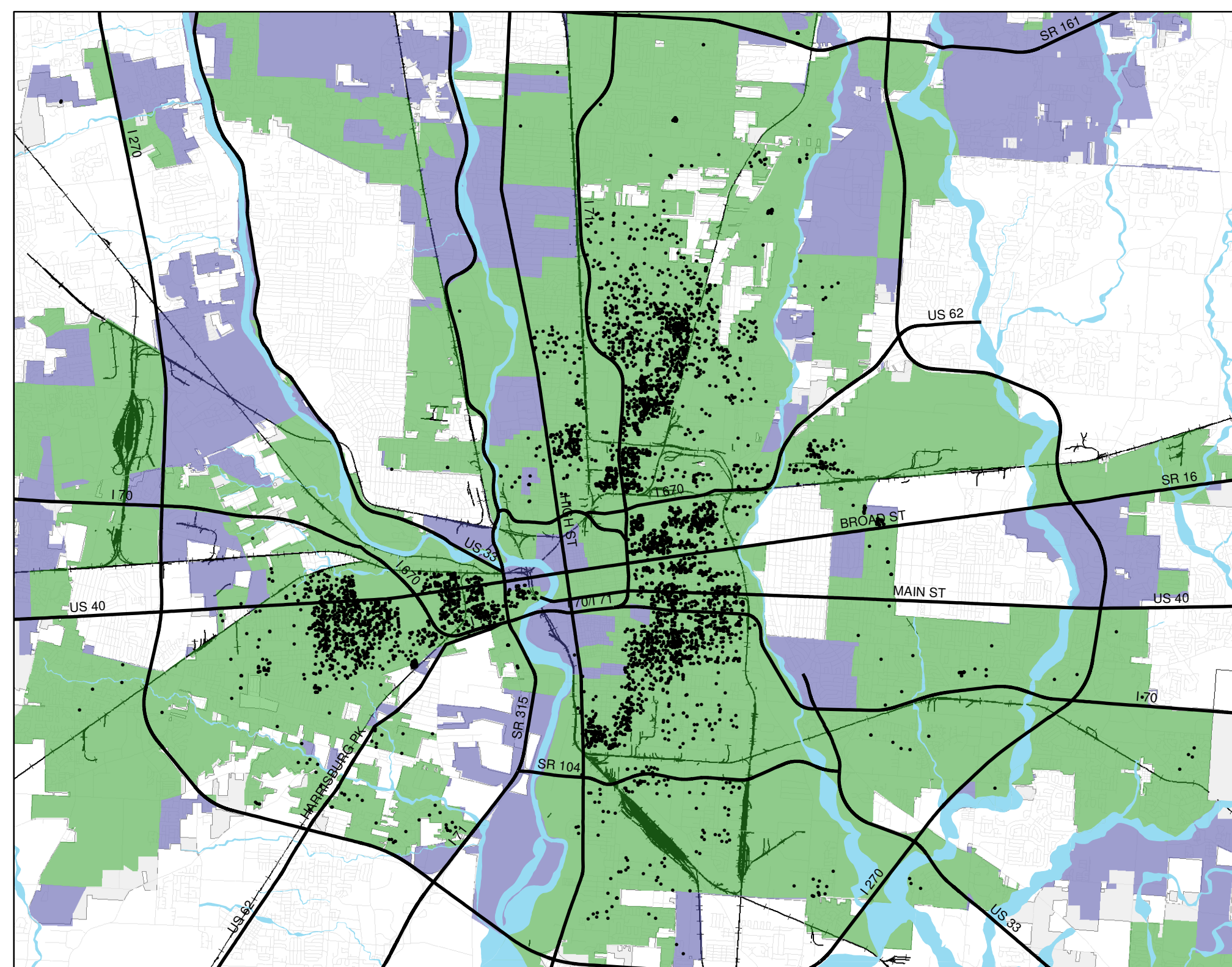
Census Block Groups Eligible for Land Banking Activities

City of Columbus

Areas with
51% of population
at or below
120% Area Median Income
and qualify for
Low- Moderate- Middle-Income
area benefit

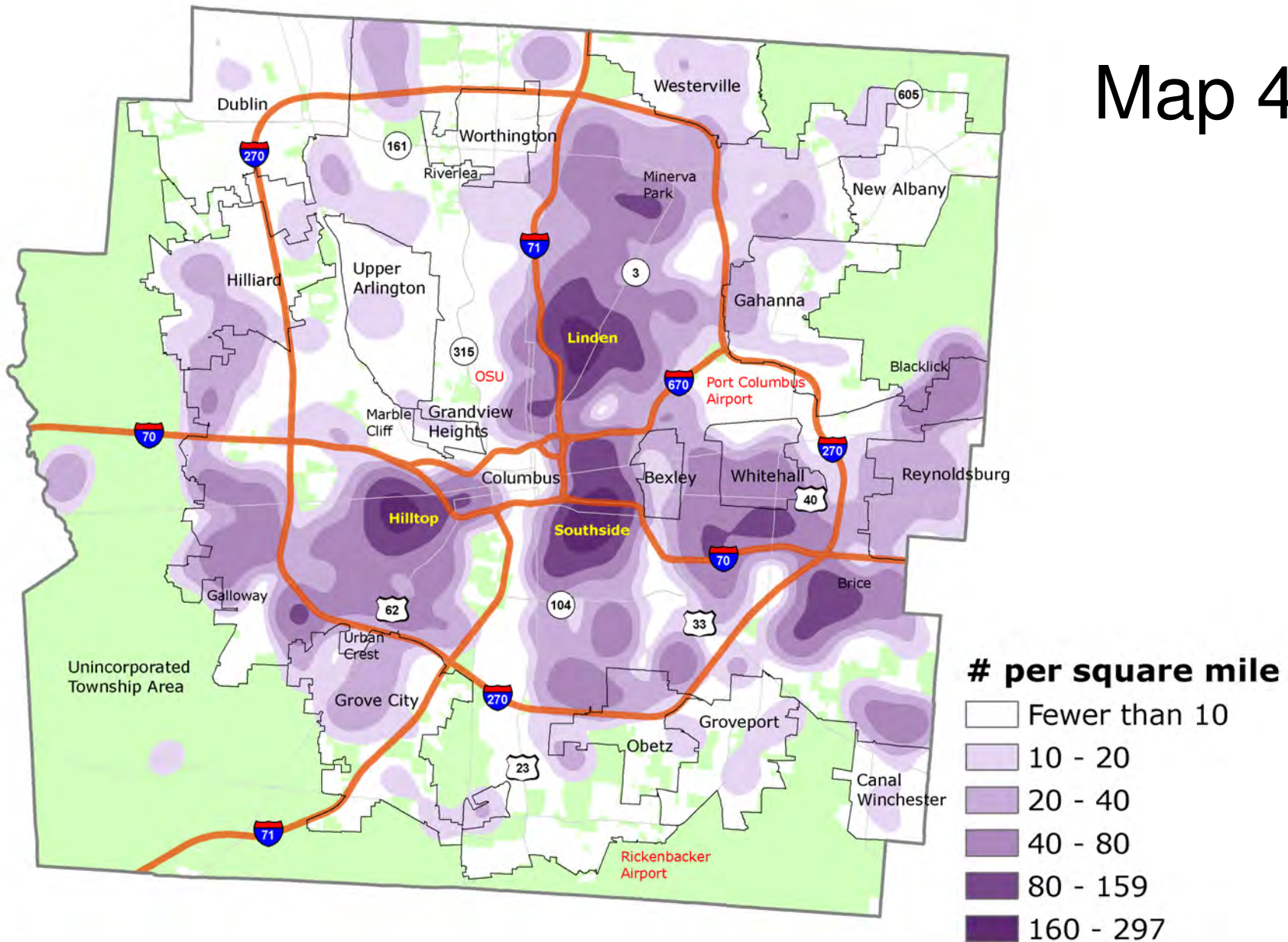
Points represent structures
on Vacant Housing List,
City of Columbus,
Sept., 2008

November, 2008
By J. Turner



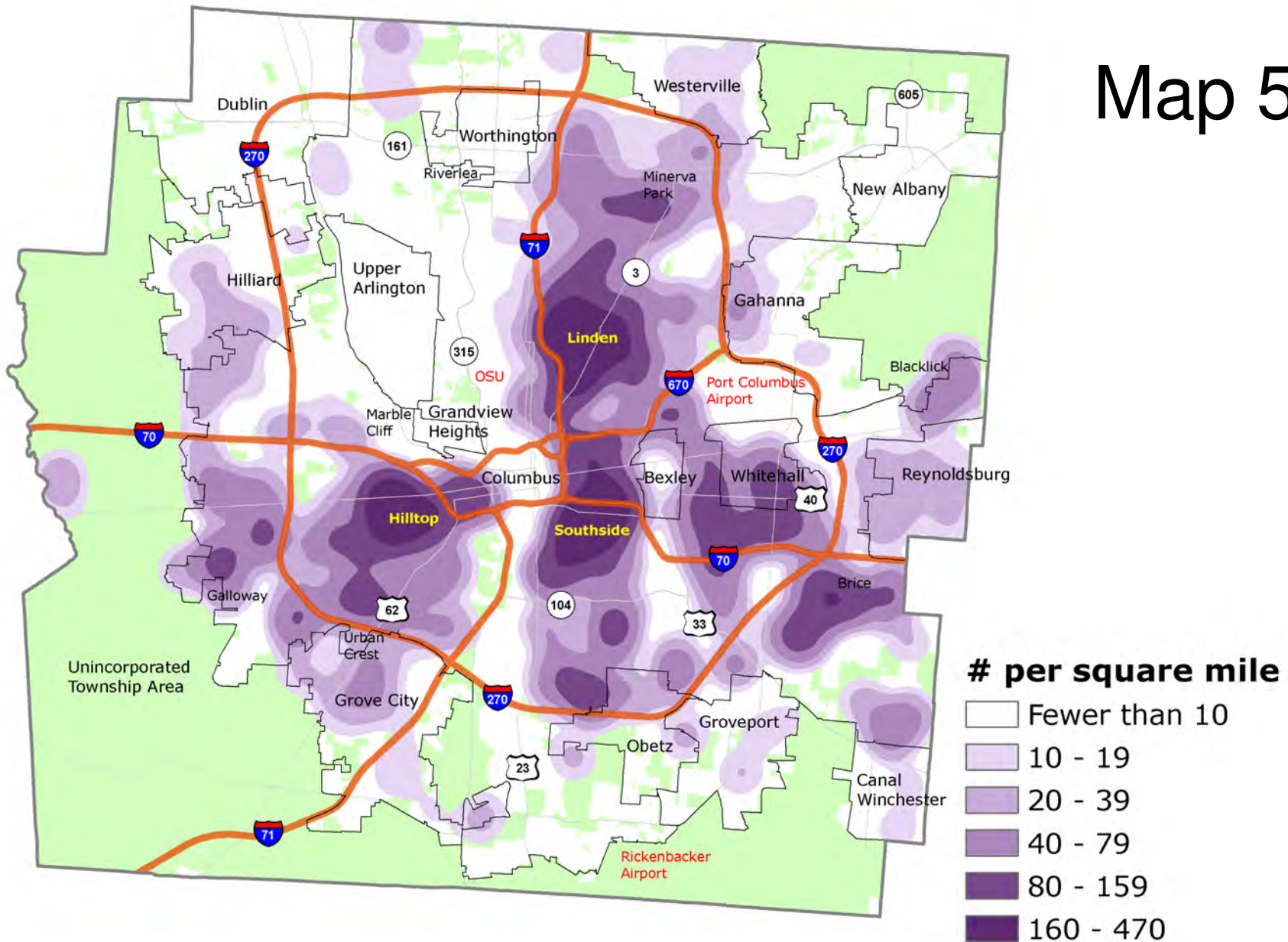
Density of foreclosure filings, January 2007-March 2008

Map 4



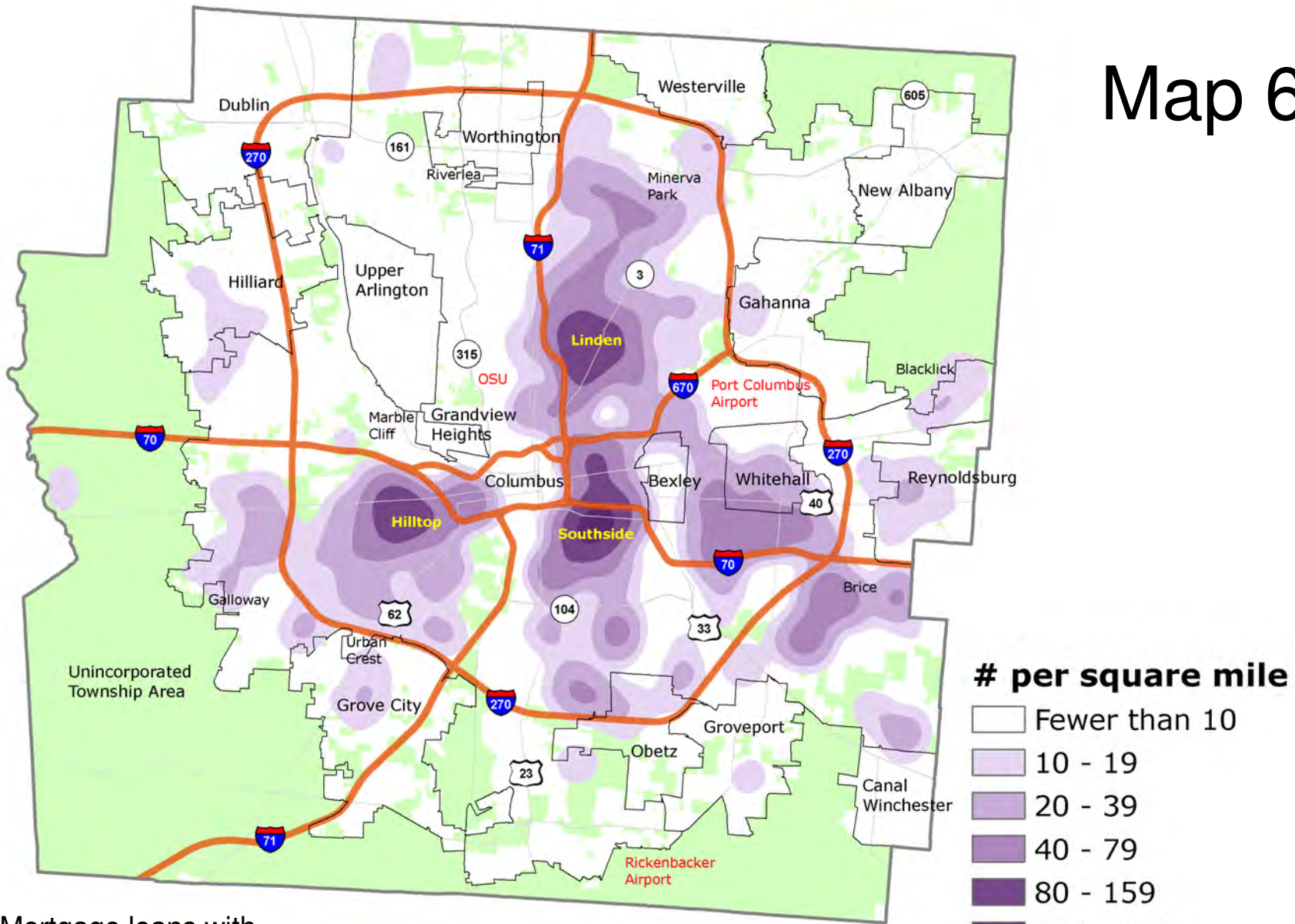
Density of properties at Sheriff's Sale, Jan 2005-Mar 2008

Map 5



Density of properties with high rate mortgage*, June 2008

Map 6



* Mortgage loans with interest rate of 8%+

