

**G. NSP INFORMATION BY ACTIVITY**

1. Activity Name:

**Residential Development**

2. Activity Type:

NSP Eligible Activity

- establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft seconds, loan loss reserves, and share equity loans for low- and moderate-income homebuyers;
- purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and property;
- establish land banks for homes that have been foreclosed upon;
- demolish blighted structures; and
- redevelop demolished or vacant properties (including new construction).

CDBG Eligible Activity

- 24 CFR 570.201 -- (a) Acquisition; (b) Disposition; (d) Clearance and remediation activities; (m) Construction of housing; (n) Direct homeownership assistance to persons whose incomes do not exceed 120 percent of median income;
- 24 CFR 570.202 -- Eligible rehabilitation and preservation activities; and
- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.26.

3. National Objective:

Meets the national objective of benefiting low-, moderate- and middle-income persons at or below 120 percent area median income.

4. Activity Description:

This activity will provide homeownership opportunities to households with incomes at or below 120 percent of the area median income (also see the discussion of needs in 5 below); and the improvement and reuse of vacant and abandoned properties. ODOD anticipates that approximately 20 percent of its allocation will be spent to purchase and rehabilitate abandoned and foreclosed residential properties for resale. This activity may include:

- acquisition/rehabilitation/resale, where the property is purchased by the program administrator (e.g., a nonprofit organization or other entity administering the grant for the community), rehabilitated to meet the program standards and resold to an income eligible household;
- direct purchase by an income eligible household, with NSP assistance (following an inspection of the property), which is then rehabilitated, as necessary, to meet the appropriate rehabilitation standards; or
- demolition of a blighted house, with a new house built on the site and sold to an income qualified household.

In every case, a vacant and abandoned property is purchased, and the final outcome is homeownership by an income eligible household. The finance mechanism for any direct assistance provided to homebuyers will be in the form of zero percent interest loans, which may be deferred and forgiven over time. However, HOME Program affordability regulations must be followed to ensure that all monthly housing expenses associated with the principle, interest, taxes, and insurance (PITI) for an Ohio NSP-assisted house will not exceed 30 percent of the household's monthly income. Each household benefitting from this activity will be required to attend eight hours of homebuyer education.

5. Location Description:

Residential development activities will take place in the areas of greatest need as determined by the Ohio NSP eligible award recipients and ODOD's needs analysis. Eligible Ohio NSP award recipients will be responsible for determining both the geographic need for assistance and the types of assistance best suited to implement the Ohio NSP locally and within the federal and state guidelines. To ensure compliance, eligible Ohio NSP award recipients will be required to undertake a planning process, which includes meeting with local housing providers, analyzing data to determine the local needs and determining how those identified needs can be met. Based on the information collected during the planning process, eligible award recipients must submit a plan to the state describing how the Ohio NSP funds will be used within the jurisdiction/region.

6. Performance Measures:

Approximately 400 units (The actual budget and number of units to be determined by the Ohio NSP award recipients based upon determined need.)

7. Total Budget:

\$23,371,901

8. Responsible Organization:

Ohio Department of Development  
Office of Housing and Community Partnerships  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001  
Michael Hiler, Office Chief

9. Projected Start Date:

April 1, 2009

10. Projected End Date:

March 30, 2013

11. Specific Activity Requirements:

Discount Rate – There will be a required minimum discount of 15 percent for each residential property purchased with NSP funds.

The finance mechanism for any direct assistance provided to homebuyers will be in the form of zero percent interest loans, which may be deferred and forgiven over time.

1. Activity Name:

**Land Banks/Demolition**

2. Activity Type:

NSP Eligible Activity

- establish land banks for homes that have been foreclosed upon; and
- demolish blighted structures.

CDBG Eligible Activity

- 24 CFR 570.201 -- (a) Acquisition; (b) Disposition; (d) Clearance for blighted structures.

3. National Objective:

Meets the national objective of benefiting low-, moderate- and middle-income persons at or below 120 percent of area median income.

4. Activity Description:

ODOD anticipates that approximately 45 percent of its allocation will be spent on the demolition of blighted structures and/or the establishment of land banks resulting from blighted vacant and abandoned properties. However, acquisition may be the first step in undertaking demolition and/or land banking (see the note in 5 below regarding the determination of need). Subsequent redevelopment of the properties will be subject to the requirements outlined in the NSP regulations. However, redevelopment using NSP funds will be limited to the housing activities included in the Residential Development and Affordable Rental Housing Initiative portions of this document.

5. Location Description:

Land banks/demolition activities will take place in the areas of greatest need as determined by the Ohio NSP eligible award recipients and by ODOD's needs analysis. Eligible Ohio NSP award recipients will be responsible for determining both the geographic need for assistance and the types of assistance best suited to implement the Ohio NSP locally and within the federal and state guidelines. To ensure compliance, eligible Ohio NSP award recipients will be required to undertake a planning process, which includes meeting with local housing providers, analyzing data to determine the local needs and determining how those identified needs can be met. Based on the information collected during the planning process, eligible award recipients will submit a plan to the state describing how the Ohio NSP funds must be used within the jurisdiction/region.

6. Performance Measures:

Approximately 2,200 units (The actual budget and number of units to be determined by the Ohio NSP award recipients, based upon determined need.)

7. Total Budget:

\$52,586,500

8. Responsible Organization:

Ohio Department of Development  
Office of Housing and Community Partnerships  
77 South High Street  
P.O. Box 1001  
Columbus, Ohio 43216-1001  
Michael Hiler, Office Chief

9. Projected Start Date:  
April 1, 2009
  10. Projected End Date:  
March 30, 2013
  11. Specific Activity Requirements:  
Not applicable.
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1. Activity Name:

**Affordable Rental Housing Initiative**

2. Activity Type:

NSP Eligible Activity

- purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and property; and
- redevelop demolished or vacant properties.

CDBG Eligible Activity

- 24 CFR 570.201 (a) Acquisition, (b) Disposition and (d) Clearance, for blighted structures only; and
- 24 CFR 570.202 Rehabilitation/Preservation.

3. National Objective:

Meets the national objective of benefiting low-income persons at or below 50 percent of area median income.

4. Activity Description:

The purpose of this activity is to encourage nonprofit organizations [i.e., 501(c)(3)] and public housing authorities to rehabilitate vacant (within the last two years) and abandoned residential property for households with incomes at or below 50 percent of the area median income; and redevelop demolished or vacant structures into affordable rental housing for households with incomes at or below 50 percent of the area median income. Applicants requesting funding to assist households with incomes at or below 30 percent of the area median income will be eligible to receive additional funding. Eligible applicants must demonstrate that a proposed development contributes to an existing community redevelopment plan, and is consistent with the community's identified needs. In addition, for projects in communities with direct NSP allocations, the community must contribute at least \$250,000 of their NSP funds toward the financing of the project. NSP funds will combine with HDAP, LIHTC, Housing Development Gap Financing (HDGF) and Housing Development Loan (HDL) programs in order to create sustainable rental communities.

Projects will be required to meet the property standards (CFR 92.251) and rental housing qualification standard (CFR 92.252) for the HOME Program. Standard funding terms will be grants or loans with an interest rate of two percent and repayments based on available cash flow.

For projects involving **new construction**:

- Site and Neighborhood Standards – 24 CFR 983.57.
- State and Local Code Requirements. If no state and local codes apply, the project must use a nationally recognized model code.

- Model Energy Code.
- Handicapped Accessibility Requirements.
- Manufactured Housing must be constructed following the manufacturer's written instructions and must meet the construction and safety standards of 24 CFR 3280.

For projects involving **rehabilitation**:

- State and Local Code Requirements. If no state and local codes apply, the project must use the ODOT RRS.
- Handicapped Accessibility Requirements.

For projects involving **reconstruction** - defined as rebuilding on the same lot as existing housing present at the time the project is funded without changing the total number of units in the project. This can include replacing substandard units of manufactured housing with a new manufactured housing unit.

- State and Local Code Requirements. If no state and local codes apply, the project must use a nationally recognized model code.
- Handicapped Accessibility Requirements.
- ODOT RRS.
- Manufactured Housing must be constructed following the manufacturer's written instructions and must meet the construction and safety standards of 24 CFR 3280.

For the rehabilitation of **pre-1978 structures**, Ohio NSP award recipients must comply with applicable state and federal laws, rules and regulations governing the testing and treatment of lead-based paint, including disclosures to residents/buyers; and the ODOT lead-based paint policy included in the **FY 2008 Ohio Consolidated Plan**, which is also posted on <http://www.development.ohio.gov/cdd/ohcp/publications.htm>.

5. Location Description:

Projects must be located in areas of greatest need, as determined by an eligible NSP award recipient ODOT's needs analysis.

6. Performance Measures:

ODOD's goal is to fund approximately 20 developments for a total of at least 600 NSP-assisted units.

7. Total Budget:

\$29,214,900

8. Responsible Organization:

Ohio Department of Development  
 Office of Housing and Community Partnerships  
 77 South High Street  
 P.O. Box 1001  
 Columbus, Ohio 43216-1001  
 Michael Hiler, Office Chief

9. Projected Start Date:

The NSP funds will be awarded to eligible award recipients for eligible projects in three funding rounds:

- 2009 LIHTC funding round. Applications due on March 19, 2009 and NSP funds committed in July 2009.
- 2009 HDGF rental funding round. Applications due on August 1, 2009 and NSP funds committed in October 2009.
- If funds are available, 2010 LIHTC funding round. Applications due in January 2010 and NSP funds committed in May 2010.

- In addition, NSP dollars may be provided to multi-family bond projects that meet the NSP guidelines and demonstrate financial need for NSP gap financing.

10. Projected End Date:

March 30, 2013

11. Specific Activity Requirements:

There will be a required minimum discount of 15 percent for each residential property purchased with NSP funds.

Standard funding terms will be grants or loans with an interest rate of two percent and repayments based on available cash flow. Applicants proposing projects to assist households with incomes at or below 30 percent of the area median income will be eligible to receive an award of \$50,000 per unit up to \$1.5 million and applicants proposing projects to assist households with incomes at or below 50 percent of the area median income will be eligible to receive an award of \$50,000 per unit up to \$1 million.

**Comment**

We are a Non-profit, 501C-3 Neighborhood Organization. Formal title Hilltop Community Development Corporation located in Steubenville, Ohio. We believe that a way to revitalize the neighborhoods is to restore a sense of community and to encourage home ownership. We are dedicated and willing to work with any effort to deter crime and improve surroundings while instilling pride and hope in our residents.

As part of the amendment plan we believe that Non-profit, 501C-3 Neighborhood Organizations that are involved in the improvements of their neighborhoods, should be included, and informed by their local government (lead entity in the region) to be an operating branch in the decision making process. Collaborating with city officials in any Neighborhood Revitalization Process to be formally included in the process. Who better would know, than those who are daily and directly involved with the existing problems or issues of their neighborhood.

Thank you for this opportunity.