

**AMENDMENT TO  
PY 2010  
ACTION PLAN SUBSTANTIAL AMENDMENT**

**COMMUNITY DEVELOPMENT  
BLOCK GRANT PROGRAM**

**STATE OF ALABAMA**

**Alabama Department of Economic and Community Affairs  
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# NSP3 SUBSTANTIAL AMENDMENT

## State of Alabama

### 1. NSP3 Grantee Information

| NSP3 Program Administrator Contact Information |                                                  |
|------------------------------------------------|--------------------------------------------------|
| Name (Last, First)                             | Olia, Shabbir                                    |
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### 2. Areas of Greatest Need

#### Map Submission

The State utilized the December 29, 2010, *Guidance on Mapping and Needs Data for State NSP3 Action Plans* from the U.S. Department of Housing and Urban Development (HUD) which requires the State to submit this second Substantial Amendment by June 30, 2011. As part of the application process, all applicants were required to submit target area maps using HUD's NSP3 mapping tool. For activities selected as a result of the State's application, project review, and award process, the maps generated at the HUD *NSP3 Mapping Tool for Preparing Action Plan* website are included with this submission.

#### Data Sources Used to Determine Areas of Greatest Need

**Describe the data sources used to determine the areas of greatest need.**

Response:

The State of Alabama required applicants for NSP3 funds to utilize the HUD *Neighborhood Stabilization Program Data* website (<http://www.huduser.org/portal/datasets/NSP.html>) to submit the location of their NSP3 areas of greatest need as part of the competitive application process

utilized for the State's method of distribution. This HUD site provides estimates of foreclosure need and a foreclosure related needs scores at the Census Tract level. The scores range from 1 to 20, with a score of 20 indicating census tracts with the HUD-estimated greatest need.

To target funds to communities with the greatest need, HUD developed a formula utilizing the rate of subprime loans (Home Mortgage Disclosure Act data on high cost and high leverage loans made between 2004 and 2007 at the Census Tract level), the increase in unemployment rate (Bureau of Labor Statistics Local Area Unemployment Statistics between March 2005 and March 2010 at the city and county level), and the fall in home value from peak to trough (Federal Housing Finance Agency Home Price Index home value data available quarterly through March 2010 at the Metropolitan Area level). HUD also estimated for each neighborhood the number of foreclosure starts between January 2007 and March 2010 (from the Mortgage Bankers Association) as well as the number of foreclosure completions between January 2007 and June 2010 (from RealtyTrac). Each neighborhood was assigned the larger of the two estimates. Finally, HUD incorporated March 2010 administrative data from the United States Postal Service on addresses not picking up mail for 90 days or longer (adjusted using Census 2000 tract level data to remove vacant vacation properties from the count).

Only one other grantee in the State of Alabama will receive NSP3 funds. The City of Birmingham has been allocated \$2,576,151. The State of Alabama and the City of Birmingham did not prepare a joint program. Housing needs for Birmingham are discussed in the *City of Birmingham Consolidated Plan 2005-2010* which can be found at the following link: <http://www.informationbirmingham.com/pdf/wholedocument.pdf>. Additionally, housing needs

for the entire state are discussed in the *State of Alabama Five Year Consolidated Plan Program Years 2010-2014* which can be found at the following link:

<http://www.adeca.alabama.gov/C17/2006%20Action%20Plans%20and%20Consolid/default.aspx>

#### Determination of Areas of Greatest Need and Applicable Tiers

##### **Describe how the areas of greatest need were established.**

Response:

The Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) provided additional funds for the Neighborhood Stabilization Program (NSP) that was originally established under the Housing and Economic Recovery Act of 2008. The statute calls for allocating funds to States and local governments with the greatest need, as determined by:

- (A) “The number and percentage of home foreclosures in each State or unit of general local government;
- (B) The number and percentage of homes financed by a subprime mortgage in each State or unit of general local government; and
- (C) The number and percentage of homes in default or delinquency in each State or unit of general local government.”

HUD has determined that for NSP3, the states and local governments with the greatest need for neighborhood stabilization funding are those communities that have high numbers of foreclosed and/or vacant properties in the neighborhoods with the highest concentrations of foreclosures, delinquent loans, and subprime loans. The basic formula allocates funds based on the number of foreclosures and vacancies in the 20 percent of US neighborhoods (Census Tracts) with the highest rates of homes financed by a subprime mortgage, are delinquent, or are in foreclosure.

The net result is these funds are highly targeted to communities with the most severe neighborhood problems associated with the foreclosure crisis.

Due to receiving the minimum grant allocation and the desire to create a targeted, realistic NSP3 program, the State of Alabama used a method of distribution which utilized a competitive application process. All applicants were required to submit target area maps using HUD's NSP3 mapping tool.

The State used the four counties HUD determined were the areas of greatest need under NSP1 as a starting point and then reviewed HUD's Neighborhood Stabilization Program Data to determine the highest concentrations of REO properties within these counties. Using a need score of 17 as a filter, Jefferson County alone accounted for 82% of the REO properties within these four counties. Using the State's minimum allowable need score of 15 as a filter, Jefferson County accounted for 72% of the REO properties.

Considering the large concentration of available REO properties in Jefferson County, the fact that HUD's only other NSP3 allocation in the State is to the City of Birmingham located in Jefferson County, the limited ability to potentially address 50 – 65 properties due to the minimum allocation of funds, and the desire to have as much impact as possible, the State limited applications to projects located within Jefferson County neighborhood(s)/census tracts with a NSP3 Foreclosure Need Score of 15 or greater. (Note: If more than one neighborhood was identified, the State accepted an average score of 15 or greater which was derived by averaging the neighborhood NSP3 need scores, weighting the scores by the estimated number of housing

units in each identified neighborhood.) The State received applications on May 11, 2011 and completed its review on May 31, 2011. The State published the second Substantial Amendment on its website on June 3, 2011, and accepted public comments through June 20, 2011. No comments were received.

Based on prior experience with NSP1, the State program has established a set of objectives to ensure NSP3 activities will be cost-effective, will have measurable impact and will be implemented in a timely manner.

#### State Objectives

1. To the extent feasible, an NSP3 activity must have a direct relationship to addressing redevelopment of abandoned and/or foreclosed upon and/or vacant multi-family or single-family properties.
2. Activity must have a measurable impact towards addressing needs related to abandoned and/or foreclosed upon and/or vacant multi-family or single-family properties.
3. Activity must be cost-effective for each unit assisted with NSP3 funds.
4. NSP3 funds, as much as possible, should be targeted towards hard costs, financing costs, or costs absolutely necessary to implement an activity. Soft-costs related to grant administration and service delivery should be kept to a minimum.
5. Applicant should demonstrate capacity as a result of in-house experience to successfully

carry-out the project.

6. The emergency nature of the program as well as the regulatory timeline on expenditure of funds dictates extreme importance of project readiness and timely completion in the project funding decision.

#### Eligible Applicants

Eligible applicants for NSP3 funds were entities who demonstrated capacity to directly carry-out NSP activities and who had successfully completed a minimum of 15 units without serious issues. Due to the State's minimum allocation of \$5,000,000, joint applications were not accepted, although the State did allow for the consideration of a project that combined the use of State NSP3 funds with the NSP3 allocation to the City of Birmingham.

In addition, depending on the necessity to accomplish NSP3 objectives, the State will retain the option to directly or through contracts carry-out activities. The State also allowed for the consideration of applications from Indian Tribes to the extent their identified need met program requirements.

#### Grant Ceilings

Applications were not subject to ceilings; however, proposals were reviewed in relation to need in the geographical area to be served and the number of proposals received from the same target area.

For activities which may eventually be carried out directly or through contracts by the State, no

ceiling will apply. Further, based on the number of acceptable proposals received by the State, the State retained full option to adjust grant size including awarding grants to any non-applicant entities to carry-out projects in areas of greatest need in compliance with CDBG NSP rules.

#### Competitive Project Reviews

The State required all interested entities to submit applications which provided specific information about local projects to allow the State to complete reviews based on the State Objectives listed above. The review involved qualitative and quantitative assessment to determine the extent to which the activity will assist areas of greatest need, applicant's capacity and readiness, and grant impact and cost-effectiveness. Based on best practices from the State's NSP1 program and in order to meet NSP3 program requirements, project reviews included the following criteria:

- Applications for affordable rental units were given priority. Multi-family rental properties were given higher priority than single-family rental properties subject to other rating considerations.
- Proposed projects targeted units located in Jefferson County within an area of greatest need with a NSP3 Foreclosure Need Score of 15 or greater.
- Applicant demonstrated how program design will address local housing market conditions in the areas of greatest need.
- Applicant was the entity who will maintain site control and directly carry-out NSP3 activities without the assistance of sub-recipients or sub-awardees.
- Applicant demonstrated capacity to implement NSP3 as evidenced by the successful completion of at least 15 units under NSP1, with no serious issues. The State allowed for the

consideration of relevant experience in lieu of the 15-unit requirement for applicants who did not participate in NSP1.

- Applicant demonstrated prior experience successfully ensuring compliance with applicable rules and regulations such as environmental, labor standards, procurement, lead-based paint, civil rights, fair housing and equal opportunity.
- Applicant demonstrated capacity to implement the NSP3 program expeditiously in order to expend 50 percent of the NSP3 funds within two years, expend 100 percent of the NSP3 funds and have units occupied within 3 years while in compliance with applicable rules and regulations as evidenced by progress to date with NSP1 funds and results of monitoring reviews.
- Applicant demonstrated how 100 percent of funds will be used to provide housing for individuals or families whose incomes do not exceed 120 percent of area median income and how a minimum of 25 percent of funds will be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.
- Applicant was required to identify continued affordability standards and enforcement mechanisms as part of their application for funding as well as their definition of affordable rents for NSP-assisted rental projects.
- Applicant demonstrated how the project will strive to address at least 20 percent of the foreclosed properties in the target area.
- Applicant demonstrated how it will, to the maximum extent feasible, provide for the hiring of employees that reside in the vicinity of the project or contract with small businesses that are owned and operated by persons residing in the vicinity of the project.
  - Note: For purposes of NSP3, HUD defines “vicinity” as each neighborhood

identified by the NSP3 applicant as being the areas of greatest need.

- Note: The NSP3 local hiring requirement does not replace the responsibilities of the successful grantee under Section 3 of the Housing and Urban Development Act of 1968 and implementing regulations at 24 CFR Part 135, except to the extent the obligations may be in direct conflict.
- Applicant detailed how it proposes to utilize applicable housing rehabilitation standards to incorporate energy efficient and environmentally-friendly green elements such as Energy Star Qualified New Homes (for gut rehabilitation or new construction); American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (for gut rehabilitation or new construction of mid- or high-rise multifamily housing); Energy Star-46 labeled products; water efficient toilets, showers, and faucets such as those with the WaterSense label; and, where relevant, how housing will be improved to mitigate the impact of disasters.
- Applicant detailed how it proposes to affirmatively market housing opportunities.

Applicants were allowed to incur pre-agreement costs subject to the applicant receiving a final grant award.

Final awards totaled the available allocation for distribution; however, if during the course of implementation, a sub-recipient or developer does not have a satisfactory expenditure rate, the State will de-obligate appropriate balances and will carry-out activities directly using all available means including using its own employees, procuring contractors, private developers, and providing loans and grants to or through nonprofits, or reward high performers receiving

NSP3 grants with additional funds.

To the extent possible, sub-recipients and developers will be encouraged to carry out their NSP3 activities in the context of a comprehensive plan for the community’s vision of how it can make its neighborhoods not only more stable, but also more sustainable, inclusive, competitive, and integrated into the overall metropolitan fabric, including access to transit, affordable housing, employers, and services.

Sub-recipients and developers will be required to ensure that program information is available in the appropriate languages for the geographic area to be served with NSP3 funds.

### 3. Definitions and Descriptions

#### Definitions

| Term               | Definition                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Blighted Structure | <p>Title 24 Housing, Section 24-2-2 (c) of The Code of Alabama 1975 defines “blighted property” as “property that contains any of the following factors:</p> <ul style="list-style-type: none"><li data-bbox="511 1360 1372 1766">• The presence of structures, buildings, or improvements, which, because of dilapidation, deterioration, or unsanitary or unsafe conditions, vacancy or abandonment, neglect or lack of maintenance, inadequate provision for ventilation, light, air, sanitation, vermin infestation, or lack of necessary facilities and equipment, are unfit for human habitation or occupancy.</li><li data-bbox="511 1801 1388 1843">• The existence of high density of population and overcrowding or</li></ul> |

|  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>the existence of structures which are fire hazards or are otherwise dangerous to the safety of persons or property or any combination of the factors.</p> <ul style="list-style-type: none"><li>• The presence of a substantial number of properties having defective or unusual conditions of title which make the free transfer or alienation of the properties unlikely or impossible.</li><li>• The presence of structures from which the utilities, plumbing, heating, sewerage, or other facilities have been disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.</li><li>• The presence of excessive vacant land on which structures were previously located which, by reason of neglect or lack of maintenance, has become overgrown with noxious weeds, is a place for accumulation of trash and debris, or a haven for mosquitoes, rodents, or other vermin where the owner refuses to remedy the problem after notice by the appropriate governing body.</li><li>• The presence of property which, because of physical condition, use, or occupancy, constitutes a public nuisance or attractive nuisance where the owner refuses to remedy the problem after notice by the appropriate governing body.</li><li>• The presence of property with code violations affecting health or safety that has not been substantially rehabilitated within the time periods required by the applicable codes.</li></ul> |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  | <ul style="list-style-type: none"> <li>• The presence of property that has tax delinquencies exceeding the value of the property.</li> <li>• The presence of property which, by reason of environmental contamination, poses a threat to public health or safety in its present condition.”</li> </ul> <p>(Acts 1949, No. 491, p. 713, §2; Acts 1967, No. 416, p. 1070, §2; Act 2006-584, p. 1544, §1.)</p>                                                                                                                                                 |
| Affordable Rents | <p>Rent will be considered affordable if it falls within the Official Individual Area Fair Market Rents (FMR) as published in the Federal Register. These FMRs are utilized by the Alabama Housing Finance Authority which administers the State’s Home Investments Partnership Program (HOME). The table for the 2010 HOME Program Income/Rent Limits for the State of Alabama can be found at the following link:</p> <p><a href="http://www.ahfa.com/Compliance/IncRentLimits_HOME2010.aspx">www.ahfa.com/Compliance/IncRentLimits_HOME2010.aspx</a></p> |

**Descriptions**

| <b>Term</b>             | <b>Definition</b>                                                                                                                                                    |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Long-Term Affordability | For NSP assisted housing, the State of Alabama will use the HOME program standards at 24 CFR 92.252(a),(c),(e) and (f) and 92.254 to ensure continued affordability. |

For rental housing rehabilitation or acquisition of existing housing:

| Per Unit Amount of NSP3 Funds                                | Minimum Period of Affordability in Years |
|--------------------------------------------------------------|------------------------------------------|
| Under \$15,000                                               | 5                                        |
| \$15,000 to \$40,000                                         | 10                                       |
| Over \$40,000                                                | 15                                       |
| New construction or acquisition of newly constructed housing | 20                                       |

For homeownership assistance:

| Per Unit Amount of NSP3 Funds | Minimum Period of Affordability in Years |
|-------------------------------|------------------------------------------|
| Under \$15,000                | 5                                        |
| \$15,000 to \$40,000          | 10                                       |
| Over \$40,000                 | 15                                       |

Under the State's Neighborhood Stabilization Program, subprime mortgages are discouraged. Sub-recipients and developers must ensure and document compliance that each homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at the following link: <http://www.fdic.gov/regulations/laws/rules/5000-5186.html>).

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                         | <p>Further, sub-recipients and developers must require each NSP-assisted homebuyer to receive and complete at least 8 hours of homebuyer counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan.</p> <p>Enforcement requirements will be passed down to sub-recipients and developers to ensure to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and/or foreclosed upon and/or vacant homes and residential properties remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii), remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income. Applicants were required to identify their continued affordability standards and enforcement mechanisms as part of their application for funding as well as their definition of affordable rents for NSP-assisted rental projects.</p> |
| <p>Housing Rehabilitation Standards</p> | <p>Applicants were required to identify the relative building code(s) applicable to their activities as part of the application for funding process. At a minimum, the State accepted the Standard (Southern) Building Code (SBCCI) or HUD's Housing Quality Standards (HQS) as identified at Title 24 of the Code of Federal Regulations, Chapter IX, Part 982.401.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

Rehabilitation activities shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. The State will strongly encourage sub-recipients and developers to not only stabilize neighborhoods in the short-term, but to strategically incorporate energy efficient and environmentally-friendly green elements as part of their rehabilitation activities to provide for long-term affordability and increased sustainability. Green elements may include transit accessibility, green building standards, reuse of cleared sites, deconstruction, renewable energy, water conservation, energy efficient materials and healthy homes as described in the *Green Housing Development Guide* located at the following link: <http://hudnsphelp.info/media/resources/GreenHousingDevelopmentGuide.pdf>.

All rehabilitation must meet or exceed local building codes. While the State of Alabama does not have a uniform, statewide building code for residential properties, most jurisdictions voluntarily adopt varying codes such as:

- International Building Code (IBC)
- International Energy Conservation Code (IECC)
- International Existing Building Code (IEBC)
- International Fire Code (IFC)
- International Fuel Gas Code (IFGC)
- International Mechanical Code (IMC)
- International Performance Code (ICCPC)
- International Plumbing Code (IPC)

- International Private Sewage Disposal Code (IPSDC)
- International Property Maintenance Code (IPMC)
- International Residential Code (IRC)

All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.

All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).

Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.

|  |                                                                                                                                                                                                                                                |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.</p> <p>Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., hurricane, flooding, fire).</p> |
|--|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### 4. Low-Income Targeting

##### Low-Income Set-Aside Amount

**Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.**

Response:

Total low-income set-aside percentage (must be no less than 25 percent): 56.25 percent

Total funds set aside for low-income individuals = **\$2,812,500.00**

##### Meeting Low-Income Target

**Provide a summary that describes the manner in which the low-income targeting goals will be met.**

Response:

The State of Alabama used its method of distribution, application for funds, and project review and award process to ensure that no less than 25 percent of its initial NSP3 award will be used to purchase and redevelop abandoned and/or foreclosed upon and/or vacant homes or residential properties that will house individuals or families whose incomes do not exceed 50 percent of area median income. Further, the State encouraged each NSP3 applicant to develop activities whereby at least 25 percent of their grant amount will be expended on low-income targeted activities. Targeted activities will consist primarily of activities related to affordable multi-family rental housing. Based on an allocation of \$5,000,000, 56.25 percent or \$2,812,500 will be

expended on low-income targeted activities.

## **5. Acquisition and Relocation**

### **Demolition or Conversion of LMI Units**

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e.,  $\leq$  80% of area median income)?

Demolition or conversion of low- and moderate-income dwelling units is an eligible NSP3 activity under the State of Alabama's program; however, the State does not anticipate activities involving demolition or conversion of low- and moderate-income dwelling units. If any activities result in displacement, the State will require its sub-recipients/developers to comply with URA for all affected residents.

## **6. Public Comment**

### **Citizen Participation Plan**

**Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.**

Response:

The State of Alabama posted the draft Substantial Amendment in English and Spanish on ADECA's NSP website on June 3, 2011. A hard copy was also made available for review at the ADECA office in Montgomery. A comment period was allowed from June 3 until June 20, 2011. Individuals were offered the opportunity to comment in writing via formal correspondence, fax, or e-mail. ADECA's website also offered the ability to submit written comments.

**Summary of Public Comments Received.**

No comments were received.

## 7. NSP Information by Activity

Enter each activity name and fill in the corresponding information.

| <b>Activity Number 1</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Activity Name</b>               | Acquisition and Rehabilitation Single Family                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Uses</b>                        | Select all that apply:<br><input type="checkbox"/> Eligible Use A: Financing Mechanisms<br><input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation<br><input type="checkbox"/> Eligible Use C: Land Banking<br><input type="checkbox"/> Eligible Use D: Demolition<br><input type="checkbox"/> Eligible Use E: Redevelopment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>CDBG Activity or Activities</b> | Applicable CDBG activities are acquisition, eligible rehabilitation and preservation activities for homes and other residential properties, disposition, relocation, direct homeownership assistance, activity delivery cost for an eligible activity, housing counseling for those seeking to take part in an activity, demolition and clearance for blighted structures only, and administration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>National Objective</b>          | Low, Moderate and Middle Income Housing (LMMH) - providing or improving permanent residential structures that will be occupied by households whose incomes are at or below 120 percent of area median income.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Activity Description</b>        | <p>Activities will address the foreclosure issue in the project area by removing some of the existing foreclosure stock and returning it to viable owner occupied housing.</p> <p>Greater Birmingham Habitat for Humanity proposes to acquire and rehabilitate foreclosed upon, vacant, or abandoned homes for resale or rental to income qualified households.</p> <p>Anticipated activities include acquisition, rehabilitation, disposition, direct homeownership assistance, housing counseling, and administration.</p> <p>Habitat services its own mortgage contracts at a zero percent fixed interest rate.</p> <p>Duration and term of assistance will be in accordance with HOME program standards at 24 CFR 92.254 and 24 CFR 92.252 (a),(c),(e) and (f).</p> <p>Final tenure of the occupants will be homeowners, but some properties may initially be used by renters who are disaster victims displaced as a result of the April 27, 2011, tornadoes.</p> <p>100 percent of funds will be used to provide housing for individuals or families whose incomes do not exceed 120 percent of area median</p> |

|                                               | <p>income and a minimum of 25 percent of funds will be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.</p> <p>Rehabilitation activities will meet all local building codes. To the greatest extent feasible, Habitat will use energy efficient rehabilitation methods and materials. Habitat currently uses Energy Star appliances, WaterSense fixtures and other applicable energy efficient materials.</p> <p>To the maximum extent feasible, Habitat will provide for the hiring of employees that reside in the vicinity of the project or contract with small businesses that are owned and operated by persons residing in the vicinity of the project.</p> <p>The ultimate goal is to provide homeownership opportunities; however, Habitat may provide affordable rental housing as needed to assist in disaster recovery efforts.</p> |                                               |               |      |             |                        |           |   |    |   |
|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------|------|-------------|------------------------|-----------|---|----|---|
| <b>Location Description</b>                   | <p>HUD Mapping Tool Neighborhood ID: 6305297<br/>Map is included as Attachment A.</p> <p>Center Point, Jefferson County, Alabama, an area of greatest need with a NSP3 Foreclosure Need Score of 15.49 which exceeds the State Minimum Threshold NSP3 Score of 15.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                               |               |      |             |                        |           |   |    |   |
| <b>Budget</b>                                 | <table border="1"> <thead> <tr> <th>Source of Funding</th> <th>Dollar Amount</th> </tr> </thead> <tbody> <tr> <td>NSP3</td> <td>\$2,250,000</td> </tr> <tr> <td>(Other funding source)</td> <td>\$ -0-</td> </tr> </tbody> </table>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Source of Funding                             | Dollar Amount | NSP3 | \$2,250,000 | (Other funding source) | \$ -0-    |   |    |   |
| Source of Funding                             | Dollar Amount                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                               |               |      |             |                        |           |   |    |   |
| NSP3                                          | \$2,250,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                               |               |      |             |                        |           |   |    |   |
| (Other funding source)                        | \$ -0-                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                               |               |      |             |                        |           |   |    |   |
| <b>Total Budget for Activity</b>              | <b>\$2,250,000</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                               |               |      |             |                        |           |   |    |   |
| <b>Performance Measures</b>                   | <p>Based on NSP3 award, Habitat anticipates acquiring and rehabilitating 22 single-family residential properties for resale or rental as a direct benefit. Properties may be used for rental during disaster recovery, but ultimately are anticipated to sell to the following income groups:</p> <table border="1"> <thead> <tr> <th colspan="3">Estimated Households by Income Category (AMI)</th> </tr> <tr> <th>0 – 50%</th> <th>51 – 80%</th> <th>81 – 120%</th> </tr> </thead> <tbody> <tr> <td>5</td> <td>15</td> <td>2</td> </tr> </tbody> </table> <p>As properties are completed, Habitat will report race, ethnicity, and female head of household characteristics of beneficiaries as well as any additional performance measures required by prevailing HUD guidance.</p>                                                                                                                           | Estimated Households by Income Category (AMI) |               |      | 0 – 50%     | 51 – 80%               | 81 – 120% | 5 | 15 | 2 |
| Estimated Households by Income Category (AMI) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                               |               |      |             |                        |           |   |    |   |
| 0 – 50%                                       | 51 – 80%                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 81 – 120%                                     |               |      |             |                        |           |   |    |   |
| 5                                             | 15                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2                                             |               |      |             |                        |           |   |    |   |
| <b>Projected Start Date</b>                   | Upon execution of agreement between the State and Habitat, following end of comment period and release of grant conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                               |               |      |             |                        |           |   |    |   |
| <b>Projected End Date</b>                     | March 14, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                               |               |      |             |                        |           |   |    |   |

|                                 |                                   |                                                                              |
|---------------------------------|-----------------------------------|------------------------------------------------------------------------------|
| <b>Responsible Organization</b> | <b>Name</b>                       | Greater Birmingham Habitat for Humanity                                      |
|                                 | <b>Location</b>                   | 4408 Lloyd Noland Parkway<br>Post Office Box 540<br>Fairfield, Alabama 35064 |
|                                 | <b>Administrator Contact Info</b> | Patricia Burch<br>205-780-1234<br>pburch@habitatbirmingham.org               |

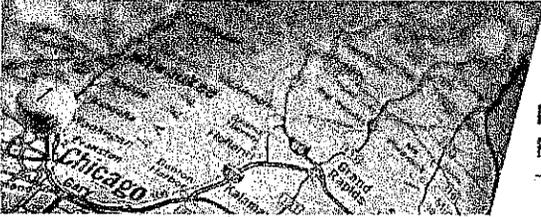
| <b>Activity Number 2</b>           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Activity Name</b>               | Acquisition and Rehabilitation Multi-Family                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Uses</b>                        | Select all that apply:<br><input type="checkbox"/> Eligible Use A: Financing Mechanisms<br><input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation<br><input type="checkbox"/> Eligible Use C: Land Banking<br><input type="checkbox"/> Eligible Use D: Demolition<br><input type="checkbox"/> Eligible Use E: Redevelopment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>CDBG Activity or Activities</b> | Applicable CDBG activities are acquisition, eligible rehabilitation and preservation activities for homes and other residential properties, disposition, relocation, direct homeownership assistance, activity delivery cost for an eligible activity, housing counseling for those seeking to take part in an activity, demolition and clearance for blighted structures only, and administration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>National Objective</b>          | Low Income Housing (LH25) - providing or improving permanent residential structures that will be occupied by households whose incomes are at or below 50 percent of area median income.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Activity Description</b>        | <p>Activities will positively address local market conditions by renovating a foreclosed multi-family property which is located near other multi-family properties, one of which was acquired and rehabilitated with NSP1 grant funds. Also, 56.3 percent of households in the project area earn less than 50 percent of area median income and this activity will target households in that income group.</p> <p>Aletheia House proposes to acquire and rehabilitate a 104-unit foreclosed upon multi-family property to rent to households whose incomes are at or below 50 percent of area median income.</p> <p>Anticipated activities include acquisition, rehabilitation, disposition, and administration.</p> <p>No interest rates will be applied to these funds.</p> <p>Duration and term of assistance will be in accordance with HOME program standards at 24 CFR 92.252 (a),(c),(e) and (f).</p> |

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                          |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|                                  | <p>Tenure of the occupants will be renters.</p> <p>100 percent of funds will be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.</p> <p>Rehabilitation activities will meet all local building codes. In addition, the project will use Energy Star-46 labeled products and water efficient toilets, showers and faucets.</p> <p>Aletheia House will notify interested parties of bid opportunities by working with the Birmingham Construction Industry Authority (which is responsible for strengthening the capacity of small and minority-owned businesses), advertising the project in the local newspaper, and contacting contractors who have performed high quality work for the agency in the past.</p> <p>Final disposition of the property will be multi-family rental units.</p> |                                                                                          |
| <b>Location Description</b>      | <p>HUD Mapping Tool Neighborhood ID: 8928283<br/>Map is included as Attachment B.</p> <p>Center Point, Jefferson County, Alabama, an area of greatest need with a NSP3 Foreclosure Need Score of 16.14 which exceeds the State Minimum Threshold NSP3 Score of 15.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                          |
| <b>Budget</b>                    | <b>Source of Funding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Dollar Amount</b>                                                                     |
|                                  | NSP3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | \$2,250,000                                                                              |
|                                  | Aletheia House                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Up to \$2,750,000 as needed to complete project.                                         |
| <b>Total Budget for Activity</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>\$5,000,000</b>                                                                       |
| <b>Performance Measures</b>      | <p>Aletheia House anticipates acquiring and rehabilitating a 104-unit multi-family residential property for rental as a direct benefit to households whose incomes are at or below 50 percent area median income.</p> <p>As units are occupied, Aletheia House will report race, ethnicity, and female head of household characteristics of beneficiaries as well as any additional performance measures required by prevailing HUD guidance.</p>                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                          |
| <b>Projected Start Date</b>      | Upon execution of agreement between the State and Aletheia House, following end of comment period and release of grant conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                          |
| <b>Projected End Date</b>        | March 14, 2014                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                          |
| <b>Responsible Organization</b>  | <b>Name</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Aletheia House                                                                           |
|                                  | <b>Location</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 201 Finley Avenue West (35204)<br>Post Office Box 1514<br>Birmingham, Alabama 35201-1514 |

|  |                                   |                                                                                                                         |
|--|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------|
|  | <b>Administrator Contact Info</b> | Christopher Retan<br>205-324-6502<br><a href="mailto:cretan@specialkindofcaring.org">cretan@specialkindofcaring.org</a> |
|--|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------|

ATTACHMENT A

HUD Mapping Tool Neighborhood ID: 6305297



### Neighborhood Stabilization Program Grants

The Neighborhood Stabilization Program (NSP) provides grants to address the problems associated with homes that have been foreclosed upon and are creating economic problems for their communities.

Enter an Address, city or state

Go

Select a State Select a County

Go

Map Options : Clear | Reset

Click Mode: Zoom | Info

NSP3 Legend (%): — Tract Outline

LOG OUT

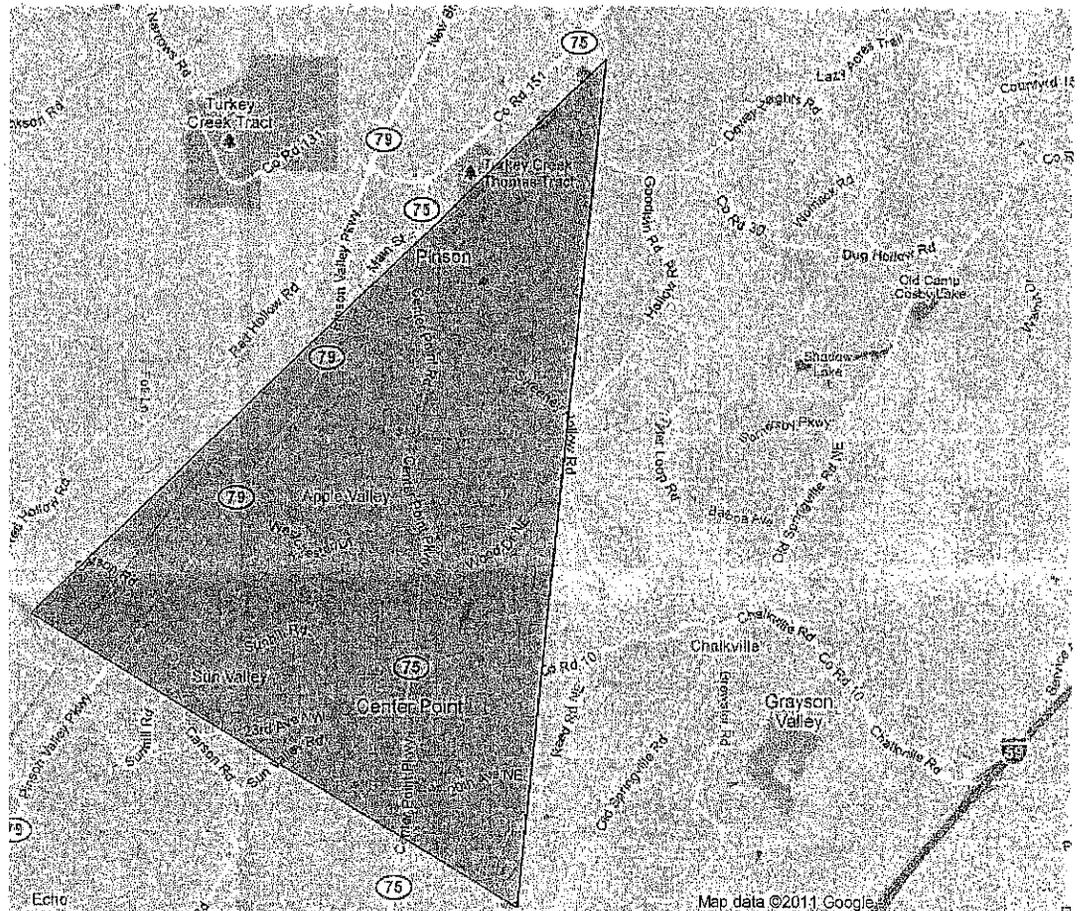
Click here for an Overview

**NSP3 Options**

13 Current Zoom Level

Show Tracts Outline (Zoom 11+)

The NSP3 mapping tool now provides a summary NSP3 score for all projects drawn. Click on "View Projects", which will list all of the projects (target areas) that have data calculated. It shows the NSP3 score for each target area along with the total estimated housing units in that area. At the bottom of the list is a sum of all housing units in all target areas and the NSP3 score for all target areas drawn. Grantees are advised to know their state minimum and if the summary score is less than the state minimum the grantee should delete, add, or revise target areas. Note that if you delete or add, the tool only recalculates after you close the "View Projects" box and reopen it. HUD also advises grantees to think carefully about the size of their target areas in total. If those target areas have a very large number of total housing units relative to the dollars available, HUD will likely ask that the grantee reduce the number and/or size of their target areas.



Neighborhood ID: 6305297

### NSP3 Planning Data

Grantee ID: 0102280E,0199990N

Grantee State: AL

Grantee Name: BIRMINGHAM,AL NONENTITLEMENT

Grantee Address:

Grantee Email: pburch@habitatbirmingham.org

Neighborhood Name: centerpoint5

Date:2011-05-06 00:00:00

#### NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 15.49

State Minimum Threshold NSP3 Score: 15

Total Housing Units in Neighborhood: 7623

#### Area Benefit Eligibility

Percent Persons Less than 120% AMI: 69.45

Percent Persons Less than 80% AMI: 45.26

#### Neighborhood Attributes (Estimates)

##### *Vacancy Estimate*

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 7979

Residential Addresses Vacant 90 or more days (USPS, March 2010): 232

Residential Addresses NoStat (USPS, March 2010): 529

### Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 2440

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 40.82

Percent of Housing Units 90 or more days delinquent or in foreclosure: 13.86

Number of Foreclosure Starts in past year: 165

Number of Housing Units Real Estate Owned July 2009 to June 2010: 81

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 30

### Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -6.4

Place (if place over 20,000) or county unemployment rate June 2005: 3.51

Place (if place over 20,000) or county unemployment rate June 2010: 10.54

\*Bureau of Labor Statistics Local Area Unemployment Statistics

### Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

### Latitude and Longitude of corner points

-86.726246 33.655209 -86.661530 33.707491 -86.671314 33.627627

Blocks Comprising Target Neighborhood

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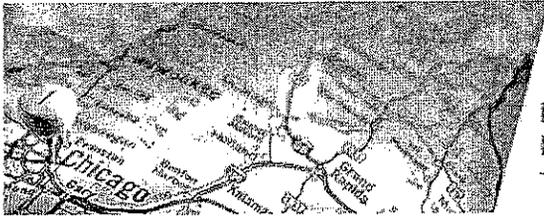
ATTACHMENT B

HUD Mapping Tool Neighborhood ID: 8928283



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### Neighborhood Stabilization Program Grants

The Neighborhood Stabilization Program (NSP) provides grants to address the problems associated with homes that have been foreclosed upon and are creating economic problems for their communities.

1817 amberwood center point, al

Select a State  Select a County

Map Options : Clear | Reset

Click Mode: Zoom | Info

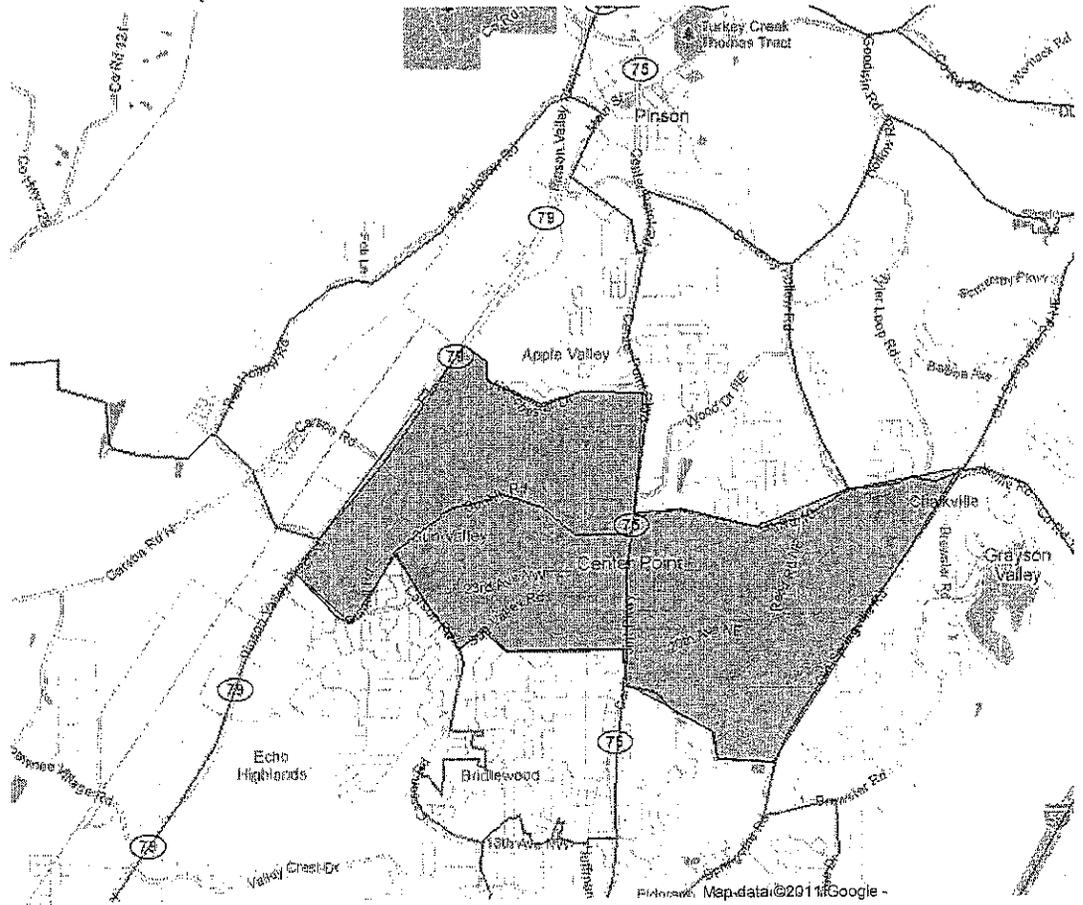
NSP3 Legend (%):  Tract Outline

[Click here for an Overview](#)

**NSP3 Options**  
 13 Current Zoom Level  
 Show Tracts Outline (Zoom 11+)

The NSP3 mapping tool now provides a summary HSP3 score for all projects drawn. Click on "View Projects", which will list all of the projects (target areas) that have data calculated. It shows the NSP3 score for each target area along with the total estimated housing units in that area. At the bottom of the list is a sum of all housing units in all target areas and the HSP3 score for all target areas drawn. Grantees are advised to know their state minimum and if the summary score is less than the state minimum the grantee should delete, add, or revise target areas. Note that if you delete or add, the tool only recalculates after you close the "View Projects" box and reopen it. HUD also advises grantees to think carefully about the size of their target areas in

total. If those target areas have a very large number of total housing units relative to the dollars available, HUD will likely ask that the grantee reduce the number and/or size of their target areas.



Neighborhood ID: 8928283

### NSP3 Planning Data

Grantee ID: 0102280E,0199990N

Grantee State: AL

Grantee Name: BIRMINGHAM,AL NONENTITLEMENT

Grantee Address:

Grantee Email: cretan@specialkindofcaring.org

Neighborhood Name: Center Point 3

Date:2011-04-26 00:00:00

#### NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 16.14

State Minimum Threshold NSP3 Score: 15

Total Housing Units in Neighborhood: 6027

#### Area Benefit Eligibility

Percent Persons Less than 120% AMI: 68.23

Percent Persons Less than 80% AMI: 43.4

#### Neighborhood Attributes (Estimates)

##### *Vacancy Estimate*

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 6110

Residential Addresses Vacant 90 or more days (USPS, March 2010): 172

Residential Addresses NoStat (USPS, March 2010): 288

### *Foreclosure Estimates*

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1749

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 43.98

Percent of Housing Units 90 or more days delinquent or in foreclosure: 14.56

Number of Foreclosure Starts in past year: 124

Number of Housing Units Real Estate Owned July 2009 to June 2010: 63

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 23

### Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -6.4

Place (if place over 20,000) or county unemployment rate June 2005: 3.46

Place (if place over 20,000) or county unemployment rate June 2010: 10.43

\*Bureau of Labor Statistics Local Area Unemployment Statistics

### Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values; a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

### Latitude and Longitude of corner points

-86.721439 33.646064 -86.702042 33.667211 -86.699638 33.665782 -86.699638 33.663925 -86.693630  
33.661353 -86.688995 33.662782 -86.681957 33.662639 -86.682987 33.651351 -86.677666 33.651780  
-86.669083 33.650065 -86.658955 33.653495 -86.651402 33.654638 -86.646080 33.655495 -86.667194  
33.627484 -86.673546 33.627913 -86.674232 33.630486 -86.679726 33.633202 -86.683846 33.634917  
-86.684361 33.638490 -86.697407 33.638347 -86.699982 33.640633 -86.702728 33.638347 -86.709938  
33.647493 -86.715088 33.641062

Blocks Comprising Target Neighborhood

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