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BUREAU OF HOUSING

January 15, 2009

Mr. Brian Williamson  
Administrative Secretary  
Office of Community Development  
Georgia Department of Community Affairs  
60 Executive Park south, NE  
Atlanta, Georgia 30329-2231

Dear Sir,

Subject: NSP Application  
City of Atlanta Direct Allocation

The City of Atlanta, respectfully submits the Georgia Neighborhood Stabilization Program applications for your consideration. Attached, please find one original and three copies of the application. Please feel free to contact us directly should you need additional information. I can be reached at 404-330-6390 or by email at [enuman@atlantaga.gov](mailto:enuman@atlantaga.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Evelyn Nu'Man".

Evelyn Nu'Man, Director  
Bureau of Housing

Cc: Mr. James Shelby, Commissioner  
Ms. Terri M. Lee, Deputy Commissioner.  
Files

**NEIGHBORHOOD STABILIZATION PROGRAM**  
**APPLICATION FOR RESERVATION OF FUNDS**  
**STATE OF GEORGIA**  
**ACTION PLAN**

<p>Jurisdiction(s): City of Atlanta, Georgia</p> <p><i>(submitted by): Department of Planning and Community Development – Bureau of Housing</i></p> <p>Jurisdiction Web Address:</p> <p><a href="http://www.atlantaga.gov/government/planning/foreclosures_101408.aspx">http://www.atlantaga.gov/government/planning/foreclosures_101408.aspx</a></p>	<p>NSP Contact Persons: Evelyn Nu'Man Director - Bureau of Housing</p> <p>Address: 68 Mitchell Street, Suite 1200 Atlanta, Georgia 30303</p> <p>Telephone: (404) 330-6390</p> <p>Email: <a href="mailto:enuman@atlantaga.gov">enuman@atlantaga.gov</a></p>
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**THE STATE OF GEORGIA WILL ACCEPT REQUESTS FOR RESERVATION OF FUNDS UNDER TITLE III OF THE HOUSING AND ECONOMIC RECOVERY ACT (HERA) SEC. 2301 ENTITLED “EMERGENCY ASSISTANCE FOR THE REDEVELOPMENT OF ABANDONED AND FORECLOSED HOMES”.**

**A. AREAS OF GREATEST NEED**

Provide summary needs data identifying the geographic areas of greatest need in the applicant’s jurisdiction.

*Note:* The local jurisdiction must identify the area(s) of greatest need(s) and provide analysis of contributing factors that created the need described.

*Response:*

A number of Atlanta neighborhoods have been adversely impacted by the current foreclosure crisis. This impact extends well beyond the lives of families directly affected by foreclosures. The foreclosure epidemic has resulted in a glut of vacant bank-owned homes in many once-stable neighborhoods. Concentrations of empty foreclosed homes have lead to a downward cycle of blight, vandalism, abandonment, increased crime, declining property values, shrinking tax bases and community asset deterioration. Many fear that this mortgage crisis threatens to undo much of the tremendous progress made by community-based organizations in the last few decades to revitalize Atlanta’s low- and moderate-income neighborhoods. HUD’s Neighborhood Stabilization Program (“NSP”), offers financial resources to assist in the redevelopment of these abandoned and

foreclosed homes. Under the State of Georgia Direct Allocation Plan, the City of Atlanta has been allocated \$3,988,314 subject to an acceptable application approved by the Department of Community Affairs. This application must, among other things, describe the proposed distribution of funds to assist areas of greatest need based on grantee-driven and statutory factors. The statutory factors include:

- a) areas with the greatest percentage of home foreclosures;
- b) areas with the highest percentage of homes financed by subprime mortgages; and,
- c) areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures.

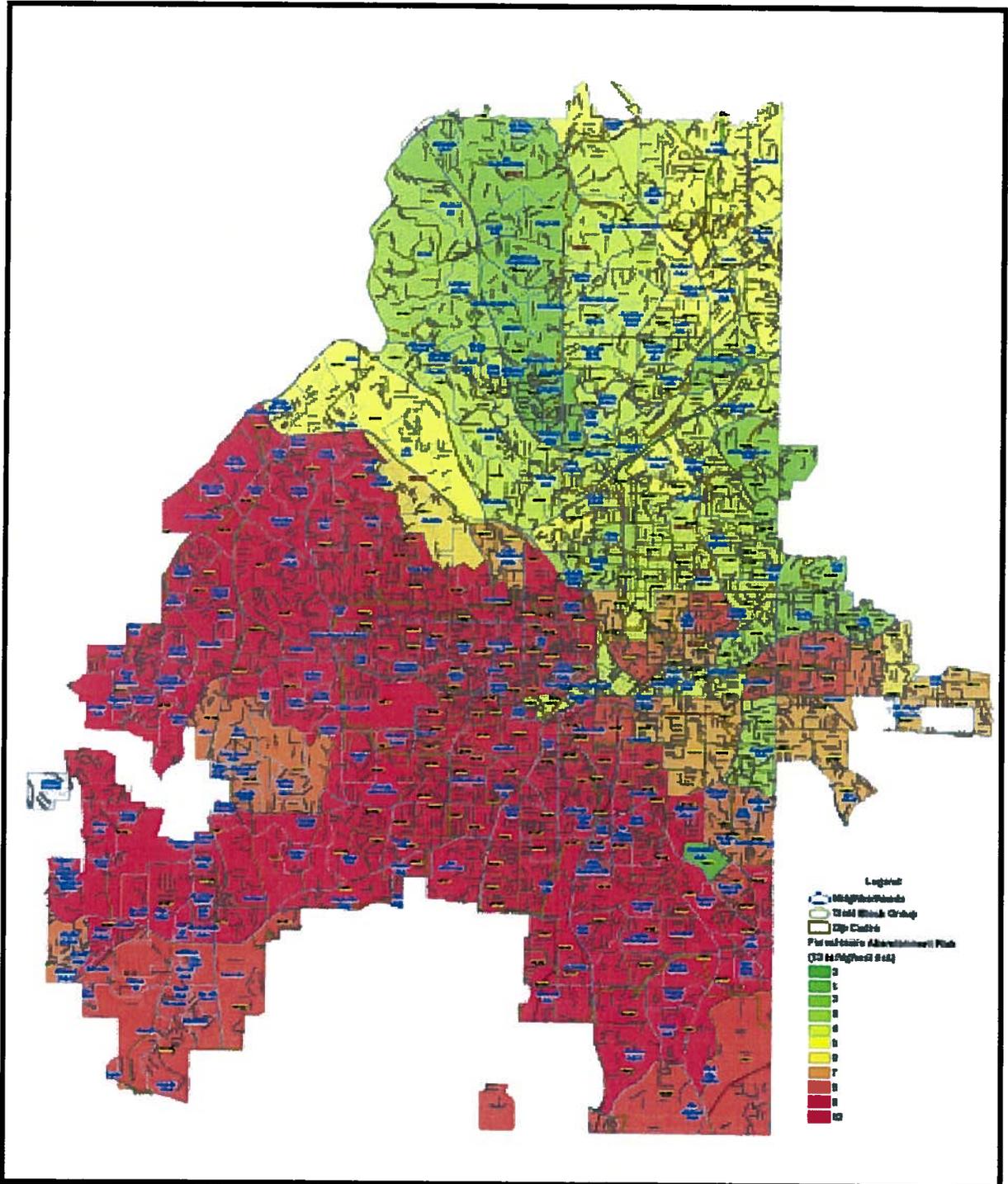
A preliminary analysis of foreclosure data for City of Atlanta suggests that [nearly / over] half of all City Census Tracts are at high risk of continuing foreclosure and abandonment. Private financial institutions now own over 13,000 homes, with an additional 5,100 plus homes on the market by their owners and the number of foreclosures of homes with Fannie Mae, Freddie Mac and HUD-insured mortgages are also significant and growing. The challenge for the City is how to most effectively utilize the NSP funds available, recognizing that this additional \$3,988,817, if used quickly and effectively, can at best only begin to address the problem and call attention to the need for substantially larger pools of funding. The plan for the use of these funds must also be transparent and defined by clear, simple parameters that will enable the City to cast a wide net for quick utilization across the high-risk areas.

The City of Atlanta requested Letters of Intent (LOI) from Affordable Housing Developers interested in applying for Neighborhood Stabilization Program (NSP) on December 18, 2008. Responses were due December 31, 2008 at 2:00pm. The City received thirty-seven (37) responses totaling in excess of \$20 million dollars. As expected, the responses far exceeded the State allocation. Based on our analysis of the LOI submissions, the City determined the project types, concentrated impact, and leverage of other recourses for the project proposed for the State NSP program.

**Targeted Areas.** As identified on the chart and the NSP Foreclosure Abandonment Map for the City of Atlanta, NSP funds will be targeted to the 45 out of 129 census tracts that have been assigned a foreclosure and abandonment risk score by HUD of 8 and higher. This represents portions of the following zip codes 30310, 30312, 30315, 30316, and 30318, The City of Atlanta has confirmed that portions of these zip codes represent the areas of greatest need by cross referencing the HUD foreclosure and abandonment risk score with the foreclosure filings, foreclosure listings, the hi-cost subprime loan rate, and predicted foreclosure rate. Based on the Letter of Interests received, for the purpose of the State's NSP application, the City will focus on the following census tracts:

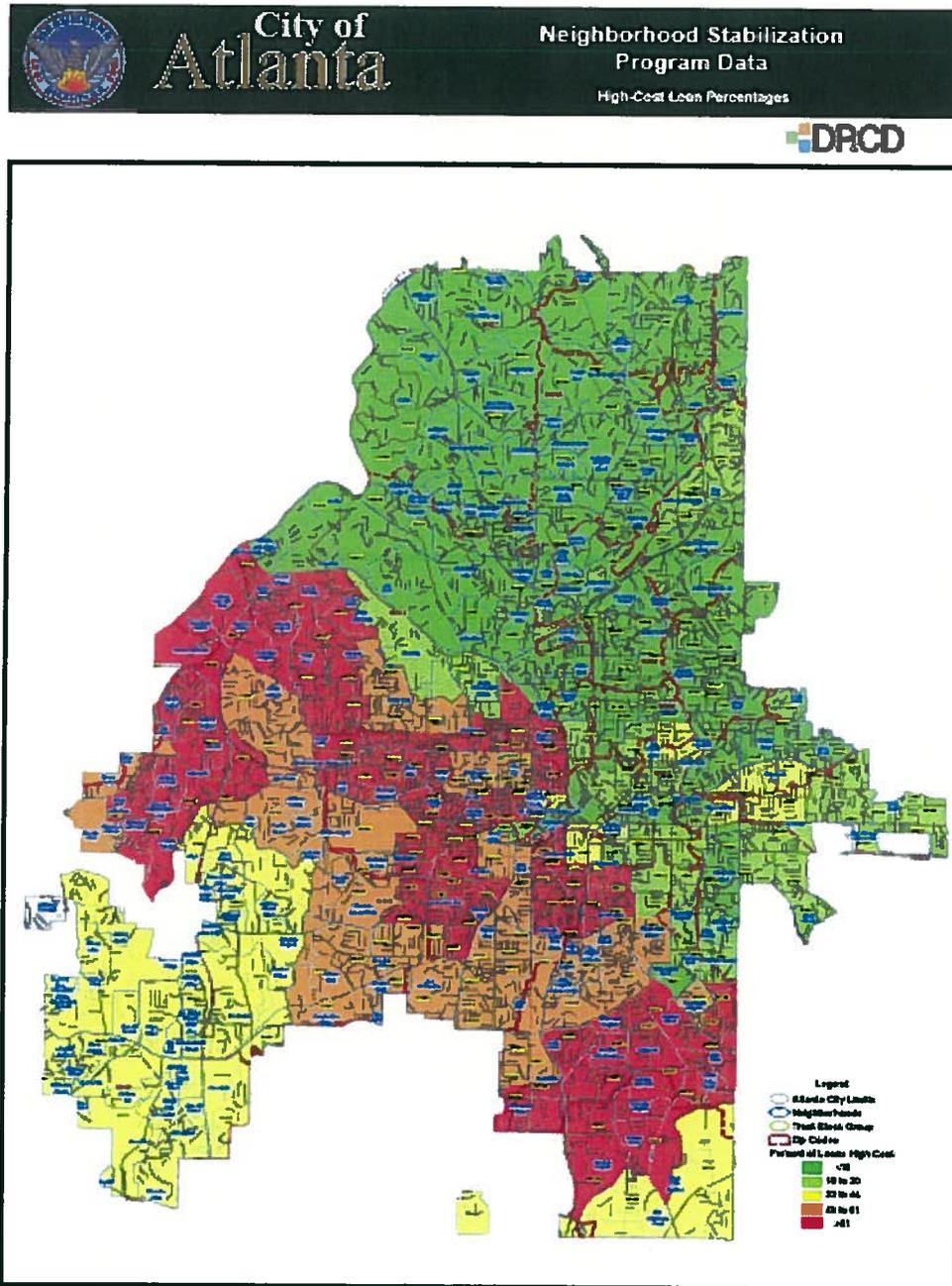
Zip Code	Census Tract	HUD Risk Score	Hi Cost Loan Rate	18 month Predicted Rate	Foreclosure Filing Rate	Foreclosure Listing Rate
30310	40	10	66.1	12.4	17%	9%
	41	10	63	11.8		
	42	10	50.8	9.6		
	57	10	74.4	13.9		
	58	10	60.6	11.4		
	60	10	63.6	11.9		
	61	10	65.6	12.3		
	62	10	67.8	12.7		
	63	10	70.5	13.2		
	65	10	52.6	10		
	66.1	10	54.9	10.4		
	66.2	10	82.1	15.3		
	75	10	61.1	11.5		
	76.1	10	57.4	9		
	80	10	60.7	11.4		
	81.1	10	58.1	10.9		
81.2	10	52.9	10			
30312	17	9	32.1	6.3	3%	2%
	28	8	20.7	4.2		
	44	10	70.5	13.2		
	46	9	36.6	7.1		
	48	8	44.4	8.5		

Zip Code	Census Tract	HUD Risk Score	Hi Cost Loan Rate	18 month Predicted Rate	Foreclosure Filing Rate	Foreclosure Listing Rate
30315	55.1	10	63	11.8	12%	8%
	55.2	10	47.3	9		
	56	10	65.4	12.3		
	57	10	75.4	13.9		
	63	10	70.5	13.2		
	64	10	57.9	10.9		
	67	10	48.1	9.2		
	68.2	9	53.7	10.2		
	70.1	10	66.5	12.5		
	70.2	10	71.6	13.4		
	71	10	69.4	13		
	74	10	67.6	12.6		
	75	10	61.1	11.5		
30316	31	9	33.7	6.6	7%	5%
	69	8	30	5.9		
30318	8	10	77.9	14.5	10%	6%
	22	10	71.9	13.4		
	23	10	74	13.8		
	82.1	10	57.2	10.8		
	83.1	10	70	13.1		
	84	10	72	13.5		
	85	10	60.6	11.4		
	86.1	10	66.4	12.5		
	87.2	10	63.7	12		

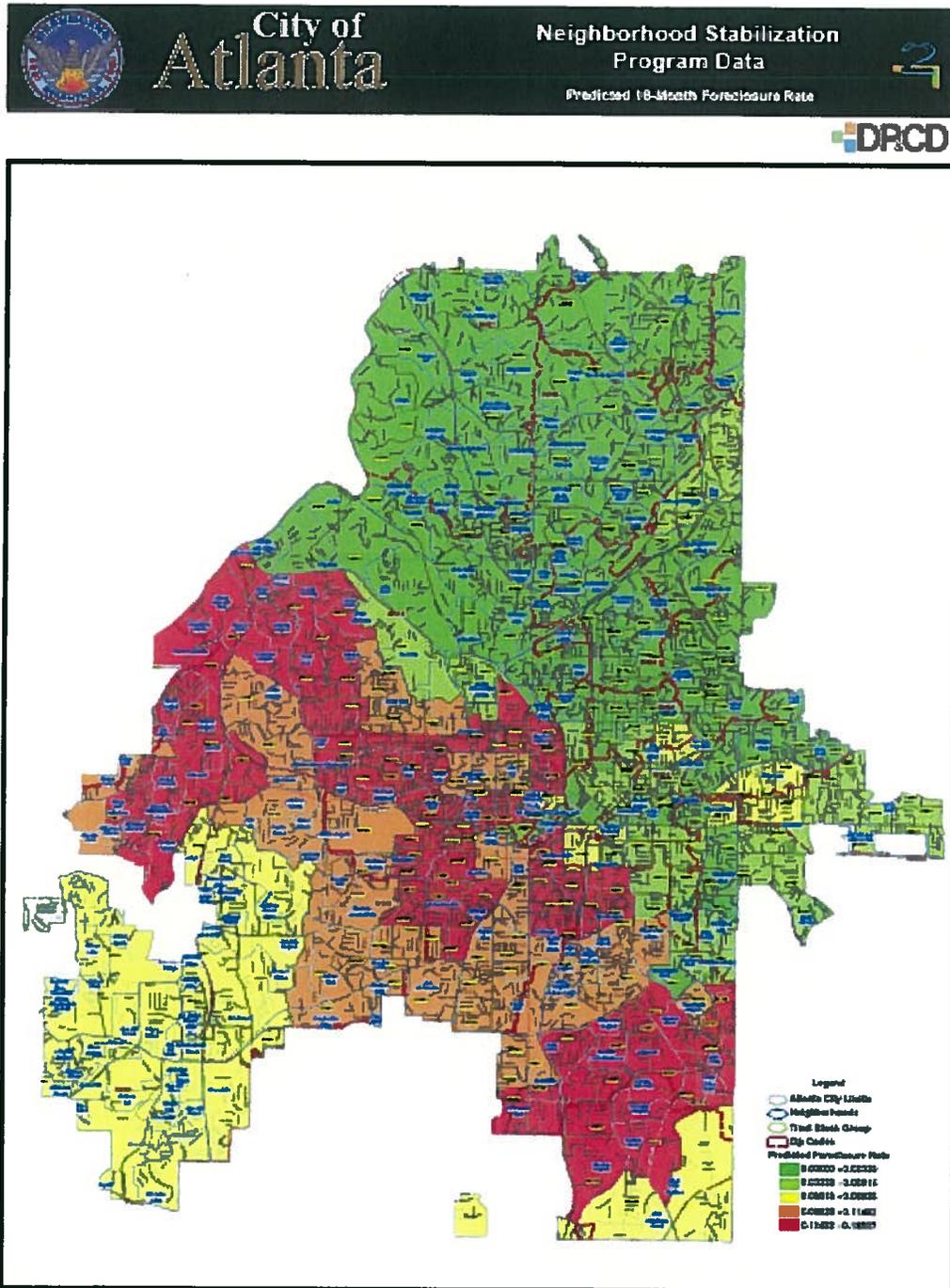


Source: 2007 Census  
Map by: [unreadable]  
City of Atlanta, Georgia

**Hi-Cost Subprime Loan Rate.** The City of Atlanta reviewed the data provided by HUD to determine the areas with the highest percentage of homes financed by subprime mortgage loans within the City limits. After examining the data, the City determined that those areas with a subprime mortgage loan rate of 45% and above represented areas of greatest needs include portions of zip codes 30310, 30314, 30315, 30318 and 30331.



**Predicted Foreclosure Rate.** The City of Atlanta reviewed the data provided by HUD to determine the areas with the highest predicted foreclosures in the next 18 months within the City limits. After examining the data, the City determined that those areas with a rate of 8% and above represent the areas of greatest needs include 30310, 30314, 30315, 30318, and 30331.



## ***B. DISTRIBUTION AND USES OF FUNDS***

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

Response:

Based upon the analysis of the areas of greatest needs, the City defined by the following criteria: (1) foreclosure and abandonment risk scores, (2) foreclosure filings, (3) foreclosure listings, (4) subprime mortgage loan rates, (5) predicted foreclosure rates, (6) owner occupancy status, (7) vacancy rates, and (8) pre-existing City of Atlanta Planning Study Areas. The City will programmatically target and distribute NSP funds to those census tracts with a foreclosure and abandonment risk score of 9 or greater to three neighborhood types: *Stable Neighborhoods*, *Declining Neighborhoods*, and *Distressed Neighborhoods*.

**Stable Neighborhoods.** There are some neighborhoods within the City that, while experiencing relatively high rates of foreclosure, can still be described as generally stable, experiencing only the initial signs of neighborhood decline and with a generally high percentage of owner-occupied houses. The typical pattern in these communities is that a single bank-owned vacant house on a block has lingered on the market due to the generally soft market and/or minor vandalism and disrepair that detract from its marketability. These vacant, often boarded up houses contribute to a decrease in the immediate neighborhood's desirability and often help spur additional neighborhood decline resulting in falling home prices and increasing foreclosures. Increased foreclosures may cause the surrounding blocks to experience contagious decline, potentially spreading to the surrounding neighborhoods.

The ability to target funds to the financing mechanisms, acquisition and rehab, and resale of these houses in otherwise stable neighborhoods will allow the City to short circuit the negative impact on property values and ensure that these neighborhoods remain stable.

**Declining Neighborhoods.** Declining neighborhoods can be characterized as areas where the percentage of owner-occupied houses is lower than that found in stable neighborhoods. These neighborhoods are characterized by higher rates of investor

ownership and may include small multi-family rental complexes in the neighborhood fabric. In such communities, vandalism is more prevalent and obvious, and household incomes are generally lower. Additional City resources may be available and leveraged in these neighborhoods, to assist in redeveloping and stabilizing the immediate neighborhood and surrounding communities.

With appropriately targeted acquisition and rehab funds we believe that properties in these neighborhoods can also be successively revitalized and added back to the affordable housing stock of the City; targeting both rental and moderate-income home owner populations.

**Distressed Neighborhoods.** Neighborhoods experiencing significant blight, declines in population and/or significant increases in the number of foreclosed properties are categorized as distressed. The foreclosures may comprise areas with multiple vacant buildings per block and even blocks that are comprised of only vacant houses. These factors contribute to an overall neighborhood decline including increasing vandalism; diminishing safety of remaining residents, illegal tenancies and the evaporation of market demand. Redevelopment Plans and other City resources are more likely to be available to assist in developing a comprehensive stabilization plan of the immediate neighborhood and surrounding community.

The City believes the most effective use of NSP funds in these areas will be selective acquisition, rehabilitation and demolition.

**C. DEFINITIONS AND DESCRIPTIONS**

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

**Response:**

The City of Atlanta will use the State of Georgia definition of “blighted structures” for all State of Georgia NSP funded activities.

***(2) Definition of “affordable rents.”***

**Response:**

For the Neighborhood Stabilization Program, “affordable rents” are defined as the annual Fair Market Rents (FMR) established by HUD. FY 2008 HUD Fair market Rents for Atlanta MSA are identified in the following table.

<b>FY 2008 HUD Fair Market Rents</b>	<b>Zero Bedroom</b>	<b>One Bedroom</b>	<b>Two Bedroom</b>	<b>Three Bedroom</b>	<b>Four Bedroom</b>
Atlanta - Sandy Springs – Marietta, GA HMFA	\$684	\$741	\$824	\$1003	\$1094

The annual rental amounts based upon bedroom size will be adjusted on annual basis, consistent with the established fair market rents published by HUD each fiscal year. The monthly rent, including the cost of utilities (except telephone), is established by HUD for units of varying sizes (by number of bedrooms) and is published in the Federal Register in accordance with 24 CFR parts 888. The City will enforce affordable rent requirements through security deed restrictions and a promissory note in the amount of the total NSP investment dedicated to the identified project.

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

Response:

The use of the NSP funds will aid to stabilize deteriorating neighborhoods within the City of Atlanta and provide a mechanism to enhance the availability of affordable housing for our residents. Through the use of the NSP funding, the City will seek to ensure the availability of affordable housing for both homeownership and rental housing options.

For the Neighborhood Stabilization Program, the household income limits are consistent with established definition of Low/Moderate/ Middle Income limits (LMMI) as defined by HUD. The FY 2008 HUD LMMI limits for Atlanta MSA are identified in the following table.

% of AMI Atlanta, GA MSA	1	2	3	4	5	6	7	8
50%	\$24,900	\$28,500	\$32,050	\$35,600	\$38,450	\$41,300	\$44,150	\$47,000
80%	\$39,850	\$45,550	\$51,250	\$56,950	\$61,500	\$66,050	\$70,650	\$75,200
120%*	\$59,800	\$68,350	\$76,900	\$85,450	\$92,300	\$99,100	\$105,950	\$112,800

The income limits will be adjusted on annual basis, consistent with the established definitions published by HUD each fiscal year.

*Single family Housing.* For single family housing redeveloped for rental, lease-purchase and/or home-ownership opportunities, the City of Atlanta will implement an affordability period that is consistent and that may exceed HUD's Home Investments Partnerships program (HOME) regulatory requirements. The affordability period for NSP funded activities is NSP affordability periods shown below?

SINGLE FAMILY (HOMEOWNERSHIP AND RENTAL)	AVERAGE PER-UNIT NSP \$	MINIMUM AFFORDABILITY PERIOD
Financing, New Construction, Rehabilitation or Acquisition of Existing sf Housing	<\$15,000/unit	5 years
	\$15,000- \$40,000/unit	10 years
	\$40,000-\$90,000	15 years
	>\$90,000	20 years

The City will use either resale or recapture restrictions to ensure long term affordability. The City will record a lien or land use restriction agreement (LURA) on the property to run with the land. A security deed will recapture all or a portion of the NSP funds provided as direct subsidy to the homebuyer. A Land Use Restriction Agreement will restrict the resale of property to households at or below 120% AMI for those properties that receive soft seconds.

*Multifamily Housing.* Multifamily rental housing properties must be affordable for a minimum of 20 years. Resale restrictions will be placed on the property in the form of a covenant to run with the land. Rents will be set in accordance with the definition of affordable rents described above. The City or its designated agency will monitor the multifamily rental developments that are assisted with NSP funds during the affordability period every 3 years to ensure that the units are affordable and that the property continues to meet the minimum housing quality standards or any additional housing inspection standards, the City of Atlanta deems necessary.

RENTAL HOUSING	AVERAGE PER-UNIT HOME \$	MINIMUM AFFORDABILITY PERIOD
Financing, New Construction or Acquisition of Newly Constructed MF Housing	Any NSP Investment	20 years

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

Response:

The City of Atlanta will use the Bureau of Housing’s “Lead Based Reduction & Rehabilitation Standards” as the guide to repair foreclosed and abandoned houses and bring each property up to Atlanta Housing Code. Either City of Atlanta staff, or third-party contractors, will inspect each property and develop a scope of work. In 2008, the City of Atlanta implemented an “Affordable Workforce Housing Green Building Policy” which encourages nonprofit developers applying for federal housing funds for residential construction (new or rehabbed) to incorporate green building practices into their program. The green guidelines of the Enterprise Green Communities Criteria and the Earth Craft House Program were implemented to measure green standards in each project. The City of Atlanta will incorporate these requirements into the NSP Program.

***D. LOW INCOME TARGETING***

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$69,200.00.

**Note:** At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income. The response must describe the methodology their project will use to ensure that **at least 25%** of NSP funds will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income

**Response:**

As reflected in the NSP budget, City of Atlanta will allocate at a minimum \$997,205 representing 25% of the NSP grant, and 25% of any program income received to purchase and rehabilitate foreclosed upon single family and multi-family residential properties in the targeted areas of greatest need to produce single family or multifamily rental housing, or homeownership opportunities for households whose incomes do not exceed 50% of Area Median Income (AMI). It is anticipated that the majority of the funds set aside for households at or below 50% of AMI will be for awarded as financing mechanics to assist non-profit housing developers receiving donated materials, volunteers and sweat equity, and provide zero or very low interest permanent financing. The City will fund housing partners that purchase and renovate small multifamily properties, to serve special needs and hard to house populations. The City will require a proven track record in property/asset management of rental property for all the housing partners selected to do rental activities.

***E. ACQUISITIONS & RELOCATION***

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

If so, include:

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

**Response:**

Priority will be given to the acquisition of vacant land and unoccupied structures. However, all acquisitions made by the City of Atlanta will follow and meet all federal requirements for acquiring properties utilizing federal funds and will comply with all of

the Uniform Relocation Act mandates. The City of Atlanta will not demolish occupied housing; however, if it becomes necessary to demolish occupied housing, the City will follow the Uniform Relocation Act.

***F. PUBLIC COMMENT***

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

Response:

The Department of Planning and Community Development, Bureau of Housing conducted a Public Hearing on held on January 7, 2009 from 6:30 pm to 8:00 pm in Committee Room 2. The purpose of the hearing was to seek citizen participation on the Neighborhood Stabilization Program (NSP) application due to the Georgia Department of Community Affairs by January 15, 2009, and to provide citizens with information about the State of Georgia Neighborhood Stabilization Program (NSP) Direct Allocation Program and to solicit citizen input on the needs, policies, priorities and program performance specifically related to the NSP program. The City acknowledged its intent to submit an application to DCA requesting \$3,988,317 as a direct allocation, of the NSP funds to acquire and redevelop foreclosed and abandoned properties that might otherwise become sources of abandonment and blight within the City. At least 25% of the funds (\$997,204.25) must be allocated to serve households with incomes below 50% of the area median income.

Notice of the public hearing was posted on the City of Atlanta web-site on December 23, 2008 and notices were provided to the Neighborhood Planning Unit (NPU) on December 23, 2008. In addition, direct emails were mailed to interested citizens and groups. Information about the City's NSP program and the application is available on the City's website at [www.atlantaga.gov/government/planning/foreclosures\\_101408.aspx](http://www.atlantaga.gov/government/planning/foreclosures_101408.aspx)

A summary of the comments received at the January 7, 2009 Public Hearing regarding City of Atlanta Application for Neighborhood Stabilization Program (NSP) Funds set-aside from the Georgia Department of Community Affairs (DCA) are provided below:

**NSP Public Hearing**  
**January 7, 2009**  
**Atlanta City Hall – Committee Room 2**  
**Verbal Comments**

**Citizen** – Westside Atlanta: Comments – Realize opportunity available in this initiative. Community and faith leaders request “state of art” planning model for public engagement. This is critical opportunity for public involvement – can lay framework for council foundation and empower over 500,000 citizens.

**Citizen** – Comment: There has been a major problem in community with sub prime loans.

Q- How will this program differ from other programs in that it will allow citizens to remain in the homes?

A-The recording of security and other monitoring

Q-Graph shows \$ to 50% below ami, how will you be able to keep these families in home over long period of time?

A-Buyer required to take homeownership classes, value limited-no markups, energy conservation requirements enabling buyer to manage utility bills, guaranteed affordable by certain agencies (Habitat)

**Citizen** Summerhill

Q-Mortgage Fraud tools for monitoring today less than before, how will we monitor? (suggest we look to other agencies for enforcement)

A-We will not sell to investors – OIG will monitor and will prosecute, closely reviewing applications. Sessions are held to make all aware “no profit.” Homebuyers will have to give proof of residency.

Mr. Reynolds also suggested that it would be most effective to make neighbors aware of homes that are part of NSP-maybe put on web and they could monitor.

**Citizen** -NPU V (Dirty Troop/Truth)-comments:

Their goal is to bring neighborhood organizations and developers together. Encourage comprehensive plan to include specific streets. Feasibility of neighborhood organizations applying with developers for NSP funds – use funds to move families into neighborhoods with schools and parks.

**Citizen** -Westend Neighborhood Association

Q-Are you restricting type of loan (interest only)?

A- No

Comment-Taxes should be based on residents rather than investors taxes on NSP homes. If this is not looked at, individuals are not going to qualify for homes.

Response-Taxes are through Fulton County and much bigger than we are. Looking into additional financing.

Q- If original buyer sells NSP house would second buyer have to meet same requirements as original buyer (homebuyer classes etc.)?

A- Yes

## Written Comments

How will the taxes and insurance fit in this program to a fix. Will you guys fix the mortgage like Habitat of Humanity Assistance – just piggyback off the statement of Habitat of Humanity in the Administrative Barrier. If the taxes and insurance not included the new owner might lose the house if taxes not paid.

I just wanted to send support for the Neighborhood Stabilization Program being proposed. I won't be able to attend the public event but wanted my voice to be heard as an Atlanta resident and tax payer who is all for it. We have an abandoned house right next to us at 76 Moreland Ave. SE, Atlanta, Ga. 30316. It has been graffitied and has become a spot where vagrants dwell. Living next door, our safety is compromised. We have experienced numerous car break ins and attempted home break in.

Thank you for your effort to clean up these abandoned homes.

To whom it may concern;

I am very much interested in the application process for this program. If the city is sincerely looking to address the issue of blighted neighborhoods and helping poor families own homes, the process has to be made accessible. Please make sure through our community organizations and leaders exactly what to do to utilize this program.

**G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)**

**(1) Activity Name: FINANCING OF AFFORDABLE HOUSING**

**(2) Activity Type:**

<b>NSP ELIGIBLE USE:</b>	<b>CDBG ELIGIBLE ACTIVITY:</b>
(A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers	As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. <ul style="list-style-type: none"> <li>• Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.</li> </ul>

**(3) National Objective:** Benefit low, moderate and middle income persons—i.e., ≤ 120% of area median income.

**(4) Activity Description:** Financing mechanisms will include down payment & closing cost assistance, permanent soft-second loans. This financing assistance will enable the City to offer single family homes within the targeted census tracts to qualified households at rents and purchase prices these households can afford.

**(5) Location Description:** The financing of affordable housing will take place in the areas of greatest need, as identified in Section A. The program will be operated primarily in those neighborhoods classified as stable, declining and distressed.

**(6) Performance Measures:** We project that this activity will assist the following number of units at the income levels outlined in the chart below:

<b>% of AMI</b>	<b># Units</b>
0-50%	36
51-80%	15
81-120%	15
<b>Total</b>	<b>66</b>

**(7) Total Budget:**

The City of Atlanta anticipates utilizing \$1,320,000 of NSP funds to support the financing of affordable foreclosed housing units. The City of Atlanta anticipates being able to layer the NSP funds with the following existing Down Payment Assistance Programs: Title XX Mortgage Assistance Program (MAP), Atlanta Housing Opportunity Bond (HOME Atlanta), Atlanta Affordable Housing Opportunity Program (AAHOP) and DCA Georgia Dreams Program.

**(8) Responsible Organization:** The City and/or its designee will manage the NSP financing of affordable foreclosed houses activity through the Bureau of Housing. All program activity will be monitored by the Bureau of Housing.

<b>Responsible Organization</b>	<b>Administrator Contact Information</b>
City of Atlanta, Bureau of Housing	Evelyn Nu'Man, Director
68 Mitchell Street, Suite 1200	(404) 330-6390
Atlanta, GA 30303	<a href="mailto:Enuman@AtlantaGA.gov">Enuman@AtlantaGA.gov</a>

**(9) Projected Start Date:** March 1, 2009

**(10) Projected End Date:** April 30, 2013

**(11) Specific Activity Requirements:** The Financing of Affordable Housings Activity will assist the City of Atlanta in providing financial assistance in the form of a soft second mortgage and/or down payment assistance to income eligible households to acquire foreclosed properties for homeownership. The City of Atlanta proposes to provide financial assistance in the form of the following eligible activities:

- Provide the Atlanta Habitat for Humanity financing in the form of a deferred forgivable second mortgage loan, with an interest rate of 0%; to cover acquisition and soft cost for 26 units. The City will enter into a subrecipient agreement with Habitat and record deed restrictions requiring Habitat to serve households having income at or below 50% AMI during the affordability period. Upon completion of home construction, the homebuyers enter a one-year lease purchase period before purchasing. Homebuyers attend required education classes through "Home Smart", Atlanta Habitat's homeownership education program and satisfy 250 hours of required "sweat equity". Once all homeowner requirements are met, the homebuyer enters into a 30-year fixed, no interest loan agreement with the Atlanta Habitat for Humanity. We estimate that the total amount of NSP assistance will average approximately \$23,850 per unit. The terms of the deferred loan will be based on the affordability period described in C.3.
- Provide down payment assistance in the form of a deferred, forgivable second mortgage loan with an interest rate of 0%, to cover acquisition and closing cost for 40 homebuyers. The down payment assistance program will be managed by the City or its designee. Households with income at or below 80% AMI are eligible to receive \$25,000 assistance and households with incomes from 81 to 120% AMI may receive assistance of \$15,000. To ensure long term affordability, the City will execute homebuyer written agreements and record security deeds to enforce the affordability period. We estimate that the total amount of NSP assistance will average approximately \$17,500 per unit. The

terms of the deferred loan will be based on the affordability period described in C.3.

Each property being considered for financing will be appraised in accordance with the definition in the NSP regulations by a qualified appraiser. That information will be used to negotiate a discount of, on average, at least 15% using the formula provided in the NSP regulations.

**(1) Activity Name: ACQUISITION, REHABILITATION & DISPOSITION OF FORECLOSED PROPERTIES**

**(2) Activity Type:**

<b>NSP ELIGIBLE USE:</b>	<b>CDBG ELIGIBLE ACTIVITY:</b>
(B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties	<ul style="list-style-type: none"> <li>• 24 CFR 570.201(a) Acquisition</li> <li>(b) Disposition,</li> <li>(i) Relocation , and</li> <li>(n) Direct homeownership assistance (as modified below);</li> <li>• 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).</li> </ul>

**(3) National Objective:** Benefit low, moderate and middle income persons—i.e., ≤ 120% of area median income.

**(4) Activity Description:** Funds allocated for Acquisition, Rehabilitation, and Disposition Activity will be used as a revolving loan fund to:

- acquire foreclosed & abandoned properties;
- conduct substantial and limited rehabilitation, including addressing energy efficient features of foreclosed & abandoned properties; and
- dispose of foreclosed & abandoned properties to low, moderate and middle income households.

All properties redeveloped with NSP funds must meet the City’s adopted Building codes and standards. Additionally, properties rehabilitated with NSP Rehabilitation Funds must meet the Bureau of Housing’s “Lead Based Paint Reduction & Housing Rehabilitation Standards”, Atlanta Housing Code and incorporate elements of the Earth Craft or Green Communities standards. Upon the completion of rehabilitation work, all properties either acquired with NSP funds or rehabilitated with NSP funds will be disposed as homeownership units, rental units or permanent housing units for the homeless population.

**(5) Location Description:** Acquisition and rehabilitation of foreclosed properties will take place in the areas of greatest need, as identified in Section A. The program will be operated primarily in those neighborhoods classified as stable, declining and distressed.

**(6) Performance Measures:** We project that this activity will assist the following number of units at the income levels outlined in the chart below

<b>% of AMI</b>	<b># Units</b>
0-50%	16
51-80%	8
81-120%	21
<b>Total</b>	<b>45</b>

**(7) Total Budget:** The City of Atlanta anticipates utilizing \$2,300,000 of NSP funds to acquire, rehabilitate and dispose of foreclosed housing units. The City of Atlanta will leverage the NSP funds with the Housing Opportunity Bonds administered by the Atlanta Development Authority, private financing provided by Capital City Bank, and Midtown Bank and owner equity.

**(8) Responsible Organization:** Based on the Letters of Intent (LOI) the City proposes the following affordable housing partners for inclusion in the State NSP application. Charis Community Housing, Environs, Mayweather, SUMMECH, and University Center Development Corporation.

<b>Responsible Organization</b>	<b>Administrator Contact Information</b>
City of Atlanta, Bureau of Housing	Evelyn Nu'Man, Director
68 Mitchell Street, Suite 1200	(404) 330-6390
Atlanta, GA 30303	<a href="mailto:Enuman@AtlantaGA.gov">Enuman@AtlantaGA.gov</a>

**(9) Projected Start Date:** March 1, 2009

**(10) Projected End Date:** March 1, 2013

**(11) Specific Activity Requirements:** The City of Atlanta will operate three programs through the NSP Acquisition, Rehabilitation and Disposition Activity. All single family and multifamily properties to be funded will be acquired via purchases of foreclosed upon properties including portfolios from loan servicers and lenders, properties from brokers and opportunities identified by for-profit and non-profit developers. In general, the process for obtaining these properties will be:

- The City and/or its housing partners will review listings of single family and multifamily foreclosed upon properties located in the target areas.
- Each property being considered for purchase will be appraised in accordance with the definition in the NSP regulations by a qualified appraiser. That information will be used to negotiate a discount of, on average, at least 15% using the formula provided in the NSP regulations.
- The City of Atlanta staff and/or third party contractors will estimate the cost of rehabilitation

- Sales contracts for properties will include a contingency for financing and for obtaining environmental clearance.
- City of Atlanta staff will conduct NEPA environmental reviews for each property;
- Davis-Bacon wage standards will be used where appropriate.

The City of Atlanta and/or its housing partners will choose the rehabilitation contractor from a list of qualified contractors. A construction management entity will ensure that construction projects are proceeding according to schedule. Alternatively, properties may be transferred to development partners for renovation and resale or rental. The City of Atlanta and/or its housing partners will inspect each property, develop a deficiency list of needed repairs, scope of work and cost estimate, participate in pre-construction meetings, conduct construction progress and final inspections, approve all change orders and disbursements.

#### 1. Single Family Rehab and Resale.

Single family properties will be obtained as part of the portfolios from servicers and lenders and, other purchase opportunities as appropriate. The City of Atlanta and/or its housing partners may rehabilitate the properties and/or contract with third-party developers to rehabilitate the properties for resale to qualified home buyers whose incomes do not exceed 120% AMI at an affordable sales price or at the market value whichever is less and may not exceed the 2007 FHA 203(b) limit of \$252,890. It is expected that the affordable sales prices and occupancy in certain target areas will be set between 60 and 80% AMI since that better reflects the incomes of households living in the area. The City will use either resale or recapture restrictions to ensure long term affordability. The City will place a lien or land use restriction agreement (LURA) on the property to run with the land. A security deed will recapture all or a portion of the NSP funds provided as a direct subsidy to the homebuyer. A Land Use Restriction Agreement will restrict the resale of property to households at or below 120% AMI for those properties that receive soft seconds.

The homebuyers will purchase the renovated properties using funds from the first mortgage lender and if needed a portion of the property acquisition, maintenance and rehabilitation cost would become a deferred second mortgage with an interest rate of 0%. In cases where other permanent subsidy resources can be identified, the NSP funds will be recycled to facilitate the purchase and renovation of additional properties.

The City of Atlanta will also coordinate with local partners to facilitate a lease/purchase variation of this program to enable families who are not immediately able to qualify for financing to initially occupy homes as renters and work with qualified housing counselors to prepare for homeownership and eventually purchase the home. NSP funds in this case will be used to assist subsidize the debt service and/or reduce the sales price. All homebuyers are required to receive at least 8 hours of homeownership and financial management training, from a HUD approved counseling agency.

The City of Atlanta and its housing partners will also undertake an extensive outreach and marketing initiative with housing and counseling organizations city-wide to ensure that there is a sufficient pipeline of qualified buyers for these properties.

## 2. Single Family Rehab and Rental

The City of Atlanta will also work with local partners to facilitate the purchase and renovation of single family homes for rental to households with incomes at or below 50% of AMI.

Preliminary analysis of market data of foreclosed properties in modest income neighborhoods suggests that the cost of purchase, renovation and re-rental can be achieved with an average of \$35,000 per house in subsidy. NSP funds will provide this subsidy in the form of a subordinate loan and these properties will be required to remain affordable for 5-20 years.

## 3. Multifamily, Permanent Supportive and Rental Buildings

The multifamily property will be acquired and rehabilitated by the selected affordable housing partner. Occupancy will include households whose incomes are at or below 50% AMI. These buildings will be rehabilitated utilizing existing multi-family affordable housing financing. Should additional resources be required for project feasibility, soft second loans may be made available from NSP resources. The City has chosen to require all multifamily rental housing properties to be affordable for a minimum of 20 years. Resale restrictions will be placed on the property in the form of a covenant to run with the land. Rents will be set in accordance with the definition of affordable rents described above. The City or its designated agency will monitor the multifamily rental developments that are assisted with NSP funds during the affordability period every 3 years to ensure that the units are affordable and that the property continues to meet the minimum housing quality standards or any additional housing inspection standards, the City of Atlanta deems necessary.

4. Marketing - A key to the success of this initiative will be identifying and preparing individuals and families for the purchase and rental of the acquired properties. We believe that there is sufficient need and demand for the properties we are targeting, but the outreach, counseling, and preparation of residents must be coordinated to maximize the flow of properties through the pipeline and accelerate the leveraging of limited dollars. This means that buyers and renters must be ready to move as soon as properties are available and this will require a citywide marketing and counseling initiative incorporating all appropriate community based organizations. The Marketing Plan will include a strategy for branding green, sustainable, quality rehab, transit oriented opportunities within city limits.

(1) **Activity Name:** **DEMOLITION OF BLIGHTED AND VACANT STRUCTURES**

(2) **Activity Type:**

<b>NSP ELIGIBLE USE:</b>	<b>CDBG ELIGIBLE ACTIVITY:</b>
(D) Demolish blighted structures	• 24 CFR 570.201(d) Clearance for blighted structures only

(3) **National Objective:** Benefit low, moderate and middle income persons—i.e., ≤ 120% of area median income.

(4) **Activity Description:** The City of Atlanta will work with its community partners to demolish blighted structures in target areas in order to improve neighborhood safety and security.

(5) **Location Description:** Demolition of foreclosed properties will take place in the areas of greatest need, as identified in Section A. The program will be operated primarily in those neighborhoods classified as declining and distressed.

(6) **Performance Measures:** We project that this activity will assist the following number of units at the income levels outlined in the chart below

<b>% of AMI</b>	<b># Units</b>
0-50%	26
51-80%	0
81-120%	0
<b>Total</b>	<b>26</b>

(7) **Total Budget:** The total budget for this activity will include \$130,000 in NSP funds.

(8) **Responsible Organization:** The City proposes to fund the Atlanta Habitat for Humanity to demolish blighted properties and reconstruct on the same site an energy efficient, accessible, house for sale to households having incomes at or below 50% AMI.

<b>Responsible Organization</b>	<b>Administrator Contact Information</b>
City of Atlanta, Bureau of Housing	Evelyn Nu'Man, Director
68 Mitchell Street, Suite 1200	(404) 330-6390
Atlanta, GA 30303	<a href="mailto:Enuman@AtlantaGA.gov">Enuman@AtlantaGA.gov</a>

(9) **Projected Start Date:** March 1, 2009

(10) **Projected End Date:** March 1, 2013

(11) **Specific Activity Requirements:** The City proposes to provide the Atlanta Habitat for Humanity funds for the demolition of blighted residential structures in cases where the removal of the property will stabilize the areas of greatest need. Demolishing the blighted structures will ultimately create a safer neighborhood and increase the surrounding property values. Habitat will reconstruct a single family house on the site for sale to eligible homebuyers.

(1) **Activity Name:** **PLANNING AND ADMINISTRATION**

(2) **Activity Type:**

<b>NSP ELIGIBLE USE:</b>	<b>CDBG ELIGIBLE ACTIVITY:</b>
Program Administration	24 CFR 570.201 24 CFR 570.206

(3) **National Objective:** N/A

(4) **Activity Description:** The City of Atlanta Bureau of Housing will oversee the planning and administration of the NSP Program for the City of Atlanta.

(5) **Location Description:** N/A

(6) **Performance Measures:** We project that this activity will assist the following number of units at the income levels outlined in the chart below

<b>Performance Measures by Income Level</b>	<b>Units Acquired and Rehabilitated</b>	<b>Units Demolished</b>	<b>Units Financed</b>
<b>50% AMI</b>	8	26	36
<b>51-80% AMI</b>	8	0	15
<b>81-120% AMI</b>	21	0	15
<b>Total</b>	<b>37</b>	<b>26</b>	<b>66</b>

(7) **Total Budget:** The total budget for this activity will be \$3,988,817 in State NSP funds.

(8) **Responsible Organization:**

<b>Responsible Organization</b>	<b>Administrator Contact Information</b>
City of Atlanta, Bureau of Housing	Evelyn Nu'Man, Director
68 Mitchell Street, Suite 1200	(404) 330-6390
Atlanta, GA 30335	<a href="mailto:Enuman@AtlantaGA.gov">Enuman@AtlantaGA.gov</a>

(9) **Projected Start Date:** March 1, 2009

(10) **Projected End Date:** March 1, 2013

(11) **Specific Activity Requirements:** The City will manage the NSP program to ensure that funds are expended in a timely manner and that all properties will be sold or rented

to income eligible households. The City will incorporate the performance measures into agreements with the housing partners. All housing partners will be monitored for compliance.

**H. Complete a budget summary for each activity including source(s) of funds and use(s) for each activity proposed in Section G. See the guidance below for the preparation of *DCA NSP Form H*.**

**Georgia Department of Community Affairs  
NSP Program  
Budget Analysis**

Applicant: City of Atlanta

Original:  Amendment dated: \_\_\_\_\_

1 NSP Eligible Use	2 Activity Name/Number	3 Itemized Unit Costs	4 NSP Funds	5 Other Funds	6 Source of Other Funds	7 Total Cost
(A)	Acquisition	Acquisition of 26 REO foreclosed and blighted properties with an average NSP cost of \$16,500	\$429,000.00	\$0	NA	\$429,000.00
(A)	Site Development	Site Development and other soft costs of 26 REO foreclosed and blighted properties with an average NSP cost of \$7,346.15	\$191,000.00	\$0	NA	\$191,000.00
(A)	Down Payment	Down Payment Assistance and Closing Costs for 40 individuals with an average NSP cost of \$17,500	\$700,000.00	\$4,400,000.00	Private Mortgage Lenders: TBD	\$5,100,000.00
8 Subtotal		_ \$41,346.15 _____	_ \$1,320,000 _____	_ \$4,400,000.00 _____		_ \$5,720,000.00 _____
9 Grand Total (if final page)		_ \$ _____	_ \$ _____	_ \$ _____		_ \$ _____

Check here if continued on additional pages:  Page 1 of 3 DCA NSP Form H

**Georgia Department of Community Affairs  
NSP Program  
Budget Analysis**

Applicant: City of Atlanta

Original:  Amendment dated: \_\_\_\_\_

1 NSP Eligible Use	2 Activity Name/Number	3 Itemized Unit Costs	4 NSP Funds	5 Other Funds	6 Source of Other Funds	7 Total Cost
(B)	Acquisition	Acquisition of 45 REP properties with an average NSP cost of \$37,000.00	\$1,665,000	\$150,000	Private Financing: Capital City Bank	\$1,815,000
(B)	Site Development	Site Development and other soft costs for 21 REO properties with an average NSP cost of \$2,952.38	\$62,000.00	\$60,000.00	Private Financing: Capital City Bank	\$122,000.00
(B)	Rehabilitation	Rehabilitation of 30 REO properties with an average NSP cost of \$19,100.00	\$573,000.00	\$1,101,250.00	Private Financing: Capital City Bank, Midtown Bank, Homeless Housing Opportunity Bond, Owner Equity	\$1,674,250.00
8 Subtotal		\$59,052.38	\$2,300,000.00	\$1,311,250.00		\$3,611,250
9 Grand Total (if final page)		\$	\$	\$		\$

Check here if continued on additional pages:  X

**Georgia Department of Community Affairs  
NSP Program  
Budget Analysis**

Applicant: City of Atlanta

Original:  Amendment dated: \_\_\_\_\_

1 NSP Eligible Use	2 Activity Name/Number	3 Itemized Unit Costs	4 NSP Funds	5 Other Funds	6 Source of Other Funds	7 Total Cost
(D)	Demolition	Demolition of 26 Blighted properties with an average NSP cost of \$5,000	\$130,000.00	\$0.00	NA	\$130,000.00
(E)	New Construction	New Construction with no NSP funds	\$0.00	\$2,110,000.00	Sweat Equity, In- Kind Donations, Volunteers	\$2,110,000.00
8 Subtotal			\$238,817.00	\$0.00	NA	\$238,817.00
9 Grand Total (if final page)			\$368,817	\$2,110,000.00		\$2,478,817.00
Check here if continued on additional pages:			\$3,988,817	\$7,821,250		\$11,810,067.00

## CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD (for HUD Entitlement jurisdictions) or the State of Georgia (for non-entitlement communities).
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds  $\leq$  120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with NEPA.** The jurisdiction will comply with the National Environmental Policies Act of 1969 (NEPA) and HUD regulations implementing NEPA titled "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities" (24 CFR Part 58).

(16) **Compliance with laws.** The jurisdiction will comply with applicable laws and regulations.

  
\_\_\_\_\_  
Signature/Authorized Official

1-15-2009  
Date

~~Director, Grant Services~~  
Title



**404-810-0025**

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December 29, 2008

Evelyn Nu'Man  
City of Atlanta  
DP&CD, Bureau of Housing  
68 Mitchell Street, Suite 1200  
Atlanta, GA 30303

2008 DEC 30 PM5:09:42

Dear Ms. Nu'Man

We appreciate this opportunity to submit a letter of intent to apply for Neighborhood Stabilization Program Funds that have set-aside for the Georgia Dept. of Community Affairs as per the email we received on Dec. 18, 2008. We have tried to concisely address all requested information below according to the outlined topic headings.

#### CAPACITY

Environs Residential has been operating in Atlanta since 2001 as a residential general contractor. Our projects have varied from full-scale home renovations to small bathrooms. As builder/developers, we have cash reserves in excess of \$100,000 and have a banking partnership with Midtown Bank & Trust who provides our construction financing. Operationally, we have long-term relationships with licensed sub-contractors, surveyors, engineers and architects who are familiar with our business practices and stand ready to participate in our projects. Terry Kitts, partner, directs all field work and has a wide range of project superintendents and field staff personnel available for projects once they are ready to break ground. Dawn Landau, partner, directs all design, planning, permitting and accounting efforts. Depending on project scope, Dawn determines the planning resources required and sources the appropriate individuals. Additionally, Dawn oversees all project accounting and produces weekly status reports which outline budget variances and schedule updates. We have adequate depth of resources to run 6-8 single family home renovation projects concurrently and see no commitments that would prevent us from immediately starting development on up to 5 NSP projects.

Although we have not worked with the CDBG or HOME programs, we just completed a foreclosure rehab as a private, for-profit project that was covered by Atlanta Intown news during the months of Sept., Oct., Nov., and Dec. We have included copies of the articles. This project is the prototype of what we would produce with the NSP funding should we qualify. The home was for first-time homebuyers and was financed via an FHA loan. We purchased the home on Aug. 4 as a cash purchase, financed 80% of the construction with Midtown Bank and closed the sale on Nov. 21. The sales price was \$246,000 which is within the parameters of this program. We have included our Job Cost report, building permit and settlement documents for your review. Additionally, we have included letters from Midtown Bank, Laura Davis, listing realtor and Connie Lightener, the loan officer with BOA who provided financing.

#### AREA OF GREATEST NEED

We believe, as is mentioned by the city in it's application to HUD, that curtailing property value decline in stable neighborhoods must be part of this solution. These are neighborhoods in which vibrant retail and restaurant businesses are established and successful. These are areas where fairly priced, well-built homes will be attractive to home buyers that qualify under the NSP guidelines. With available

financing, these homes should sell quickly and return the HUD funds used for acquisition and/or financing to the coffers for use in other projects that require longer-term planning and development. Because we have experience in 30317 and 30316 we propose to initially identify and develop foreclosed properties in those areas. Specifically, we have identified the neighborhoods of Reynoldstown and Edgewood, census tracts 31, 205 and 207 according to the maps published on the city of Atlanta website. These areas are all identified as subject areas in the City of Atlanta NSP application and rate 9 out of 10 in the Foreclosure Abandonment Risk scale, have 30-44% of existing properties with high cost loans and have a high rate of predicted foreclosure.

We have included an analysis of properties currently available in those areas that we believe would be excellent candidates to meet the needs of buyers who qualify under the NSP guidelines, would be quick to redevelop, and could return a substantial portion, if not all of the NSP funds back to the program for use on other projects. Although we are comfortable working in neighborhoods experiencing greater decline, we believe the best use of our talent and NSP funds is to quickly produce housing for those buyers who still readily qualify in stable neighborhoods negatively impacted by foreclosures. This would result in carrying cost savings and preserving funds for projects such as rentals that will return little if any funding back into the program.

Included in our analysis of potential properties is our estimated rehab cost, development costs and sales price. Having been renovating property in Atlanta for the past 9 years and having recently rehabbed an abandoned foreclosure, we have developed detailed cost estimators and systems to accurately determine the project cost. Because Dawn is a licensed realtor with Blue Sky Real Estate Group, she has access to market data, sales information, and valuable professional affiliations all of which help her to determine the after-rehab market price. The recent sale in Reynoldstown, although having to comply with stringent FHA standards including 2 appraisals, closed with no valuation problems.

## PROJECT DETAILS

Depending on the properties available, we propose to renovate viable single-family homes in our targeted areas listed above and/or tear down and rebuild single family attached structures or duplex units. The identified areas are zoned primarily R-5 which allows for single family and duplex structures. One property on the list is not yet listed for sale but is in foreclosure and we have briefly spoken with the realtor. It is a double residential lot surrounded by public alley on 2 sides and is an abandoned, blighted structure as well. Should that project become available, we are prepared to analyze the feasibility of rezoning to allow for more units which could bring the per unit price to below our anticipated level. At any rate, the projects will be listed for sale and/or lease purchase, depending on the climate at completion with the lease purchase option being for 12 months or less. All properties will initially be listed for sale only and presented with a lease/purchase option after sales efforts of 3 months have proven unsuccessful. Income categories will be in the 100-120% of AMI or approximately \$70,000 to \$85,000 per year for families of 4. The anticipated sales prices will be from \$180,000 to \$240,000 with the primary factors driving the cost being acquisition and rehab costs.

In order to implement quickly (within 9 months) we have identified properties with desirable existing configurations needing limited footprint expansion. Additionally, the properties identified with the exception of 145 & 147 Cleveland, can be planned in-house to reduce planning and permitting time. For example, we went under contract on our Reynoldstown project in July, closed the purchase on Aug 4 and pulled the permit the following week. The complete project timeframe from contract execution to completion was 143 days. We expect to be able to go under contract on at least 2 properties within 60 days of having funds available and starting work within 45 days from contract date.

Blue Sky Real Estate Group has agreed to market these homes at a reduced commission rate of 5.5%. All homes will be listed on GA MLS and FMLS as well as in a variety of other marketing arenas. We are finding a large number of first-time buyers are using the internet to find properties and intend on ensuring these homes are prominent on the most popular sites, one being Realtor.com. Dawn will be the affiliated agent which we find to be very helpful as she will have detailed knowledge of the home, neighborhood and renovations. By having an in-house realtor, we can insure the home is priced properly and marketed aggressively. Open houses, agent caravans and various promotional activities will be held as well. Again we can point to our press coverage of the Reynoldstown project as an indicator of our ability to get our projects recognized. Additionally, we have been published in the AJC. The article is posted on our website. We anticipate these projects being another "favorite" of the print and television media and will make efforts to promote them via those avenues as well.

## BUDGET

We are proposing 5 projects with total development costs of approximately \$900,000-\$1,200,000. These costs include acquisition, planning/development costs, carrying costs related to construction financing, construction costs, and marketing costs. This is an average per unit cost of \$180,000-\$240,000. Our proposal is to secure acquisition, financing/carrying and planning/development costs from NSP funds and to secure construction financing from Midtown Bank or

other institutions. Midtown Bank has expressed interest in additional projects such as our Reynoldstown property as indicated by the letter we have included with this proposal. Marketing costs will be paid out of the proceeds of the sale so will not require NSP or other up-front cash resources but will be built into the sales price. We anticipate acquisition, financing and carrying costs to be about 50% of the total development costs so would like to request \$450,000 to \$600,000 in funding from the NSP program.

## CONCLUSION

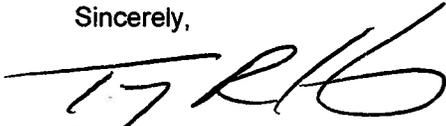
We understand these are extremely hard times our city and country are experiencing right now. As 20 year residents of this city, we are hopeful that we can contribute to it's quick recovery. Because we wear developer, builder and marketer hats, we can build only "hard" development costs into these projects and forego any soft "fees". These hard costs include designer/architect time at \$75-125/hour with most of our project requiring 20 hours or less, surveying costs, engineering costs (when necessary), insurance, property taxes, permitting fees, utilities and a few admin costs such as copies.

Our goal is to keep our construction company vibrant while renovating quality homes that are currently boarded up and vacant. We just did it with our own funds and the Reynoldstown residents, the buyers and others involved in the transaction are all thrilled with the outcome. We are hopeful we can have the opportunity to do more of these projects via this partnership with the City of Atlanta.

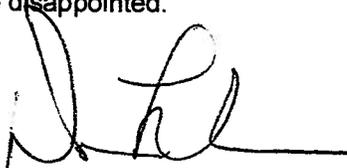
Although audit and bookkeeping were not addressed in your request, we are very open and prepared to offer periodic financial updates on our projects and are not only comfortable, but expect to offer full-disclosure of each job from a financial perspective. Dawn is an accounting graduate from the University of Tennessee and has both audit and operational accounting experience with several large companies so keeps a tight watch on our records.

As beneficiaries of public dollars, should we be granted NSP funding, we understand the importance of keeping accurate records and the high level of financial responsibility to which we should be held. Our operational expertise, marketing ability and financial integrity make us excellent candidates for participating in this program. We respectfully request that you give us strong consideration. You will not be disappointed.

Sincerely,



Terry Kitts  
Operations Manager, Environs Residential



Dawn Landau  
Business Manager, Environs Residential  
Realtor, Blue Sky Real Estate Group

Please visit our website at [www.environsresidential.com](http://www.environsresidential.com) for extensive examples of our work and company philosophy.

Enc: Midtown Bank Letter  
Bank of America Letter  
Analysis of Proposed Projects  
Copy of GA Residential General Contractors License



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Atlanta, GA 30324

Fax: (678)999-8629

Email:  
tkitts@environsresidential.com  
dlandau@environsresidential.com

Visit our website at  
[www.environsresidential.com](http://www.environsresidential.com)

## Company Profile

Founded in 2001, Environs Residential is an environmentally conscious home builder. We offer custom home renovations, kitchen remodels, bathroom renovations, and a variety of other home improvement services. In both the design and construction phases, we offer advice and suggestions as to how to ensure your home suits your current needs, is energy efficient and will stand the test of time both stylistically and structurally. Consider our motto::

### **"Quality Design & Construction for Today AND Tomorrow"**

Although most of us do not plan to be in our homes for a lifetime, we frequently fail to consider future uses and inhabitants. We want what we want NOW. Construction waste is a very high percentage of landfill material. Even the most "Green" of materials is wasted if it winds up in a landfill a few years after installation. We believe we are one of the best in the business at planning and building home spaces that can be enjoyed for generations. When "Green" materials are appropriate, we are the first to recommend their use. In addition, we make every effort to recycle material from the job site whenever logistically and economically possible. We are always looking for new ways to improve and appreciate input from our clients in this ongoing effort to improve our environment and industry.

We work with a team of experienced sub-contractors, suppliers and craftsmen, many of whom have been with us since we opened our doors. When required, all are licensed and insured contractors. Your home is our home when we are on your project and we take that responsibility seriously.

Because we have been working together for years as a professional team and personal partnership, our ability to see issues before they arise is a huge benefit to our clients. Just ask them. Just drop an email to [info@environsresidential.com](mailto:info@environsresidential.com) and we will gladly provide you with a list of our clients.

Terry and Dawn

**Proposed Project Analysis Utilizing Neighborhood Stabilization Funds**  
**Presented to: City of Atlanta Bureau of Housing**  
**Evelyn Nu'man, Director**  
**30-Dec-08**

Project Address	Configuration (Upon Completion)	List Price	Proposed					Sales Price
			Acquisition Cost	Development Costs	Financing Costs	Construction Costs	Marketing Costs	
<b>Currently for Sale</b>								
991 Wylie St Census Track 31	2/2, 1000 sq ft.	\$79,900	\$70,000	\$6,000	\$3,067	\$80,000	\$9,258	\$168,325
1154 Wade St NE Census Track 31	2/2, 1300 sq ft	\$84,900	\$76,410	\$6,000	\$3,642	\$95,000	\$10,537	\$191,589
1 Leslie St, Census Track 205	3/2, 1400 sq ft, lot 100x150	\$123,500	\$111,150	\$6,000	\$3,450	\$90,000	\$12,257	\$222,857
125 Wyman, Census Track 205	3/2, 1400, lot 55x150	\$52,000	\$46,800	\$6,000	\$4,600	\$120,000	\$10,325	\$187,725
1563 Paxon, Census Track 205	3/2, 1400, lot 40x133 (Blighted)	\$119,900	\$101,915	\$6,000	\$4,217	\$110,000	\$12,928	\$235,060
200 Cleveland, Census Track 31	3/2, 1300, 50x135 (Blighted)	\$130,000	\$97,500	\$6,000	\$4,408	\$115,000	\$12,974	\$235,882
<b>Foreclosure Proceedings In Process</b>								
Assumptions: This project would require NSP funding beyond acquisition and carrying costs. 6 zero lot line homes or townhouses 1300 sq ft each, 3/2 with garage or carports Project completion 18 months from purchase								
147 and 149 Cleveland, Census Track 31	Multi-family, lots total 100x175	EST Market Value \$250,000	\$225,000	\$25,000	\$93,600	\$780,000	\$65,395	\$1,188,995
Per unit price								\$198,166
198 Cleveland, Census Track 31		\$90,000	\$81,000	\$6,000	\$4,792	\$125,000	\$12,618	\$229,409
175 Cleveland, Census Track 31		\$100,000	\$90,000	\$6,000	\$4,792	\$125,000	\$13,141	\$238,933

Acquisition Costs include the cost of the property plus any related closing costs including transfer taxes, attorney's fees, title insurance etc.  
 Development Costs include surveys, architectural/design fees, engineering (when necessary), permits, insurance, real estate taxes, utilities and nominal admin costs.  
 Financing Costs include 1.5% origination fees and 7% simple interest for 12 months unless otherwise indicated.  
 Construction Costs include materials, labor, sub contractors, supervision, and all other costs associated with a fully permitted construction project.  
 Marketing Costs include 5.5% commission to listing and selling brokers.  
 Sales Price consists of total of all indicated costs with NO developer profits.

**Bank of America**



December 29, 2008

Bank of America  
Northeast Center  
GA3-003-01-23  
2059 Northlake Parkway  
Tucker, GA 30084

To Whom It May Concern:

Tel 770.491.4016  
Fax 770.723.2055

I would like to inform you about our successful closing on a rehab property located at 148 Cleveland St. Atlanta, Ga. 30316. The buyers were able to finance this home using FHA financing at 97% of the purchase price. The closing process took less than 21 days to close and the buyers are elated to be living in their new home. I represent Bank Of America, one of most knowledgeable, experienced and admired Mortgage Companies in the industry. I certainly appreciated having a team of experts in the industry to team up with. One of which was the Listing/Selling "Dawn Landau" representing Environs Residential Group. Environs Residential Group was invaluable in terms of their knowledge, expertise in the industry and due diligence and commitment in getting the deal closed. There were other professionals on board including the the appraiser who was well informed concerning the location of the property. The appraiser had knowledge about the type of revitalization work being done to enhance the living standards and beauty of the community and of course ensured property compliance to FHA standards. The closing attorney made the closing accessible and ensured the title work was completed in a timely manner. This closing was made simple through timely communications between all the parties and by the group of experts who came together to get the job done. If I can provide further information or be of any assistance in the future please do not hesitate to contact me at 770-491-4937.

Sincerely,

Connie Lightner, VP. MLO,  
work 770-491-4937  
fax 866-517-8253



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10/2008



December 28, 2008

Keith J. Nesbitt  
Midtown Bank & Trust  
712 W. Peachtree Street  
Atlanta, Georgia 30308

Dawn Landua  
Environs Residential Construction & Design  
1579 Monroe Drive  
Atlanta, GA 30324

Re: 148 Cleveland Avenue project

Dear Dawn;

Congratulations on the successful renovation and sale of the Cleveland Avenue house! Your ability to deliver this project on time and on budget was greatly appreciated in this difficult market. Should future opportunities like this arise I ask that you keep Midtown Bank in mind. If you have any questions please call me at 404-969-4427.

We appreciate your banking relationship with Midtown Bank.

Sincerely,

Keith J. Nesbitt  
AVP/Portfolio Manager

**STATE OF GEORGIA**  
**KAREN HANDEL, Secretary of State**  
State Licensing Board for Residential/General Contractor  
Residential Basic Qualifying Agent

LICENSE NO. RBQA002359  
Terry Robert Kitts  
807 Argonne Ave  
Atlanta GA 30308

EXP DATE - 06/30/2010  
Status: Active

**STATE OF GEORGIA**  
**KAREN HANDEL, Secretary of State**  
State Licensing Board for Residential/General Contractor  
Residential Basic Company

LICENSE NO. RBCO001541  
Environs Residential Design & Construction LLC  
1579 F Monroe Dr Suite 408  
Atlanta GA 30324  
Qualifying Agent: Terry Robert Kitts  
Qualifying Agent License NO: RBQA002359

EXPIRATION DATE - 06/30/2010  
Active



2008 DEC 31 PM 1:33:50



December 30, 2008

Ms. Evelyn Nu'Man, Director  
Department of Planning and Community Development  
City of Atlanta Bureau of Housing  
68 Mitchell Street, Suite 1200  
Atlanta, GA 30303

Dear Ms. Nu'Man,

On behalf of Atlanta Habitat for Humanity, we respectfully submit our intent to apply for approximately \$750,000 as part of the Neighborhood Stabilization Program (NSP). This award would support the purchase of approximately 26 foreclosed properties in the City of Atlanta for the development of affordable homes for purchase by first time homebuyers. It is our understanding that funds received by Atlanta Habitat for Humanity through the NSP program would be provided in the form of a forgivable loan.

#### **ORGANIZATIONAL CAPACITY**

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##### **Describe your organization's capacity.**

Atlanta Habitat for Humanity partners with working families, sponsors and communities to build affordable, green, quality homes and to provide support services that promote successful home purchase and ownership. Since its founding in 1983, Atlanta Habitat has built more than 1,001 homes in the City of Atlanta housing more than 3,500 children, parents, and grandparents. Atlanta Habitat has a strong professional staff and an organizational capacity capable of producing 50–60 homes annually.

Effectively operating under one roof, Atlanta Habitat's \$9.5 million budget supports a wide spectrum of services including real estate development; home construction; finance, fund development and retail operations; mortgage banking; and financial counseling and homeowner education. The senior leadership team includes an Executive Director, Director of Operations, Director of Real Estate, Director of Family Services, Director of Construction, Director of Finance, Director of Development, In-House Counsel, Director of Site Planning and Design, and Director of Retail Sales. These directors and their staff acquire and permit property, develop funding sources, identify and select qualified homeowners, construct homes, service mortgages, recruit and manage volunteers, and much more.

**Describe your operational and financial sustainability plan for properties acquired with NSP funds.**

A large portion of the direct, hard costs associated with every house built by Atlanta Habitat is supported by sponsoring organizations. These house sponsors include corporate, civic, and faith-based groups. In 2008, Atlanta Habitat secured and managed commitments from 176 unique sponsor groups. Remaining costs toward construction are funded by individual philanthropic gifts, foundation grants, special events, and ReStore sales, Atlanta Habitat's retail operation. Additional funding comes from a broad base of unrestricted philanthropic gifts supporting Habitat's general operations.

Neighborhood Stabilization Program funding will help Atlanta Habitat acquire and develop a significant number of foreclosed and bank owned properties within the defined areas. This award, supplemented by Atlanta Habitat's sponsorship and philanthropic support and volunteer labor, will make a positive impact on the organization's capacity to serve more hard-working families in the City of Atlanta.

**Identify the staff and their role in implementing the project's day-to-day responsibilities. Describe any existing commitments that would impact your ability to implement the project immediately.**

Day-to-day oversight of NSP funding will be managed by Atlanta Habitat's Director of Operations with implementation carried out by the Director of Real Estate. NSP funding administration will be managed by the Director of Development. Atlanta Habitat is prepared to launch an NSP partnership immediately.

**Describe your previous housing development experience.**

As one of the largest providers of affordable workforce housing in the city, Atlanta Habitat has built 1,001 homes since 1983. Over the past 25 years, the organization has developed an effective formula for building quality, affordable, energy-efficient houses for first-time home buying families. Every home constructed by Atlanta Habitat reflects quality materials and design. As a result of its partnership with Southface Energy Institute, every Atlanta Habitat house has been built to EarthCraft certified standards since 2004 - ensuring healthy, comfortable homes that reduce utility bills and protect the environment. EarthCraft guidelines address energy-efficiency, durability, indoor air quality, resource efficiency, waste management, and water conservation, and they further Atlanta Habitat's mission of providing affordable housing by reducing homeowners' utility bills by 25-30 percent.

Atlanta Habitat has frequently been recognized for its pioneering model and organizational efficiency. In 1999, it became the first affiliate in the United States to reach the 500<sup>th</sup> home milestone. Just this year, Atlanta Habitat became one of only a few Habitat affiliates nationally to achieve the 1,000<sup>th</sup> home milestone.

Other key achievements include selection as the site of the 1988 Jimmy Carter Work Project building 20 homes in a single week; construction of 100 homes commemorating the 1996

Atlanta Olympic Games; selection as the 2004 *Non-Profit Builder of the Year* by Southface Energy Institute; three Georgia Department of Community Affairs Magnolia Special Achievement Awards for Excellence in Housing for Creative Partnerships (2003 and 2008) and for Superior Design (2004); and the recent renewal of the organization's four-star designation for organizational efficiency on Charity Navigator.

**Identify your experience in working with the CDBG or HOME programs.**

Atlanta Habitat is fortunate to have received both CDBG and HOME funding programs. The organization received CDBG funding 1998 - 2006 and has received HOME funding since 2007. In November 2008, Atlanta Habitat received notification of a 2009 HOME funding award. Atlanta Habitat has designated staff to administer funding for both programs. These programs have helped Atlanta Habitat make significant strides in meeting our community's affordable housing needs and have provided much needed down-payment assistance for hard-working families.

**AREA OF GREATEST NEED**

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**Identify the specific geographic location you plan to implement your project. Describe how this area meets the definition of areas of Greatest Need as it relates to % foreclosures, % sub-prime loans and likelihood to face a significant rise in foreclosures. Include a listing of specific residential addresses you intend to acquire, if eligible.**

Atlanta Habitat intends to purchase land and build homes in a number of neighborhoods identified as those with the highest risk of foreclosure, the highest percentage of homes financed by subprime mortgage loans, and with the highest risk of being abandoned according to NSP data. These neighborhoods may include: Beecher Hills, Bolton Hills, Cascade, Carver Hills, Carey Park, Center Hill, English Park, Lakewood Heights, Pittsburgh, Sylvan Hills, Venetian Hills, West Lake, and Westview.

Currently, Atlanta Habitat has five properties under contract that meet the NSP requirements. These acquisitions are in the "Due Diligence" contract phase and are representative of those which Atlanta Habitat will acquire during the term of the grant.

**Describe the condition of foreclosed, vacant or abandoned properties in your target area and the current market value of residential homes. Identify how you will determine if the properties need to be rehabbed, and your system for determining the after-rehab market value.**

Atlanta Habitat's model provides for the purchase of vacant lots or lots with structures that are considered blighted and uninhabitable. It is the organization's practice to demolish existing structures and construct safe, quality, energy-efficient new homes in partnership with home-buying families and volunteers.

## **PROJECT DETAILS**

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**Describe your project details. Include the # of units, rental or homeownership, income categories of intended beneficiaries and proposed sale prices or rental rates.**

Atlanta Habitat's goal is to provide homeownership opportunities to working families who would not normally qualify for traditional financing. With NSP support, Atlanta Habitat intends to purchase approximately 26 properties for development of homes for purchase by qualified homebuyer families. The primary beneficiaries of this project will be first-time homebuyers, and their families, who have 25 – 60% of Area Median Income (AMI) for the Atlanta metropolitan area as defined by the U.S. Department of Housing and Urban Development.

These families will qualify for the program based on several criteria including: citizenship or legal residency; residency or employment in the City of Atlanta or one of 10 metro-Atlanta counties for one year; at least two, but no more than eight, people in the household; demonstrated good credit; monthly income within minimum and maximum limits depending on household size; and sustained savings over six months with a minimum balance of \$200.

Upon completion of home construction, homebuyers enter a one-year lease period before purchasing. Homebuyers attend required education classes through "Home Smart," Atlanta Habitat's homeowner education program, and satisfy 250 hours of required "sweat equity." These steps help ensure a successful transition into homeownership. Once all homeowner requirements are met, the homebuyer enters into a 30-year fixed, no-interest loan agreement with Atlanta Habitat for Humanity.

Currently, Atlanta Habitat homes are sold for approximately \$110,000 with principal only monthly mortgage payments (no interest is charged to the homeowner) of less than \$600. These mortgage payments include escrow, insurance, maintenance savings, and pest control. Together, the home price and loan package offer a significant savings to the homeowner. By offering these unique loans, many hard-working families with no other viable options for homeownership are realizing the goal of owning their own home.

**Explain your strategy for implementing the project within a nine month time limit.**

Atlanta Habitat's model and construction experience lends itself well to a nine-month NSP implementation plan. A sample timeline is as follows:

Property Identification and Acquisition	8 – 12 weeks
Permitting and Demolition (if necessary)	6 – 8 weeks
Family and Lot Selection	6 – 10 weeks
Construction	8 weeks

**Explain your marketing strategy and how you intend to sell or rent the units.**

Atlanta Habitat's Family Service Department engages in community outreach through many avenues. An outreach coordinator makes presentations at schools, community gatherings, PTA meetings, and other forums likely to reach qualified homebuyers. A select group of homeowners

who serve as ambassadors for the organization also engage in outreach to potential homeowners. These homeowners also make presentations at regularly scheduled application workshops sponsored by Atlanta Habitat. Through extensive homeowner outreach efforts, each Atlanta Habitat house has a qualified homebuyer in place before construction begins. (See Page 4 for details on our homebuying process.)

**PROJECT BUDGET**

**Identify the total development cost and the amount of NSP funds needed. What specific activities will NSP funds finance? Describe your ability to secure other financial resources to supplement project costs.**

NSP Funding Requested Per Property

Acquisition	\$16,500
Demolition	\$5,000
Site Development and Permitting (approximate per lot)	\$3,500
Site Development Fees (15%)	\$3,750
Requested Support per Lot	\$28,750

NSP monies will partially support the overall cost of purchasing property, demolition of existing structures if needed, and any site development required for construction. Atlanta Habitat's sponsorship and philanthropic support will help support any additional purchase or site development costs, and all construction costs, and administration costs associated with volunteer management, mortgage servicing, and homeowner education.

The Development Department is charged with raising the funds needed to support the construction of homes and the organization's overall operations. In addition to an annual campaign, Atlanta Habitat raises money through major gifts fundraising, grant writing to government, private, and family foundations, corporate gift solicitation, and special events.

Atlanta Habitat for Humanity has been fortunate to have the City of Atlanta as a long-term partner in our efforts to build affordable, green, quality homes for first time homebuyers. We look forward to the opportunity to develop a new avenue of partnership through the Neighborhood Stabilization Program. Together we can address our community's foreclosure crisis and help meet affordable housing needs.

We welcome the opportunity to discuss this letter of intent and to submit a more comprehensive request for funding in the coming weeks. Should you have any questions, please contact Marci Bozeman, Director of Development at 404-223-5180, ext 128.

Thank you for your kind consideration of this request.

Sincerely,



Melanie M. Platt  
Board Chair



Larrie Del Martin  
President and Executive Director

# ATTACHMENTS

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- A. Position Descriptions of Principal Staff
  - Executive Director
  - Director of Operations
  
- B. Resumes of Principal Staff
  - Executive Director
  - Director of Operations
  
- C. 2007 Annual Report

# SUPPORTING DOCUMENTATION

## Job Descriptions of Principal Staff

City of Atlanta Application: Neighborhood Stabilization Program  
Submitted by Habitat for Humanity in Atlanta, Inc.



## **President and Executive Director**

**Position Description:** The President and Executive Director is the chief executive officer and is responsible for the organization's consistent achievement of its mission and financial goals, and for the leadership and management of all programs, services and activities conducted by Atlanta Habitat for Humanity.

**Job Conditions:** The position is full-time. Office hours are 8:30 am to 5:00 pm, evening and weekend work is required. This position is classified as exempt. Other conditions and benefits are explained in the Personnel Manual. The President and Executive Director serves as the head of the organization's leadership team, and reports to the Board of Directors. The President and Executive Director is expected to use discretion and independent judgment in carrying out his/her responsibilities and to represent the organization in a professional, knowledgeable and collegial manner at all times.

### **Requirements:**

#### ***Education/Professional Credentials***

- Bachelor's degree.
- Master's degree in business administration or nonprofit management preferred.

#### ***Experience***

- Minimum of seven years of senior level management experience.

#### ***Skills***

- Excellent verbal and written communication skills.
- Knowledge of affordable housing efforts and workings of the city.
- Strong planning, administrative, organization and time management skills.
- Good computer skills with a knowledge of Microsoft Windows XP and Office (Excel, Word, and Outlook).

### **Responsibilities:**

#### ***Board of Directors***

- Report to the Board of Directors and work with them to implement the strategic plan, raise funds from outside sources, set personnel policies, determine board meeting agendas and monitor results.
- See that the Board is kept fully informed about the status of the organization and all important factors influencing it.
- Facilitate regular Board review and analysis of financial information.
- Carry out plans and policies authorized by the Board.

### **Management**

- Oversee the successful execution of the programs, services, and activities of the organization in accordance with the annual/strategic plan and the guidance of the Board of Directors.
- Provide overall administration of the day to day affairs of the organization.
- Hire, supervise, and evaluate the Director of Development and Communications, Director of Family Services, Director of Finance and Technology, Director of Real Estate, Director of Construction, Director of Site Planning and Design, Director of Retail Sales, In-House Counsel and Office and Program Manager. Hire other consultants and direct reports as necessary.

### **Planning**

- Ensure that the organization has a long-range strategy which achieves its mission, and toward which it makes consistent and timely progress.
- Provide leadership in developing program, organizational and financial plans with the Board of Directors and staff.

### **Fundraising**

- Develop and maintain long-term relationships with donors.
- Oversee the creation and implementation of an aggressive fundraising strategy.

### **Communications**

- Serve as the primary spokesperson for the organization. Regularly attend meetings and events with businesses, faith-based groups, and nonprofit organizations throughout the city.
- Publicize the activities of the organization, its programs and goals.
- Establish sound working relationships and cooperative arrangements with community groups and organizations.
- Represent the programs and point of view of the organization to agencies, organizations, and the general public.
- Lead Atlanta Habitat's interactions with the City of Atlanta and other city and county governments and departments, Neighborhood Planning Units and other community organizations, as well as Habitat International and other Habitat affiliates.
- Ensure that Atlanta Habitat has consistent, professional and knowledgeable staff representation at neighborhood and NPU meetings when relevant zoning and planning issues are discussed.

### ***Budget, Finance, and Legal***

- Work with the staff, Finance Committee, and the Board to prepare a sound budget; see that the organization operates within budget guidelines.
- Develop and maintain sound financial practices.
- Ensure that adequate funds are available to permit the organization to carry out its work.
- Jointly, with the chair and secretary of the Board of Directors, conduct official correspondence of the organization, and jointly, with designated officers, execute legal documents.
- Administer the affairs of the organization subject to its charter and by-laws and all applicable city, state, and federal laws.
- Maintain official records and documents, and ensure compliance with federal, state, and local regulations.

### ***Human Resources***

- Be responsible for the recruitment, employment, training, and release of all personnel and volunteers.
- See that an effective management team is in place.
- Maintain a climate that attracts, keeps, and motivates a diverse staff of top quality people.
- Ensure that office and personnel policies are updated and followed.
- Ensure that job descriptions are developed, that regular performance evaluations are held, and that sound human resources practices are in place.
- Encourage staff and volunteer development and education, and assist program staff in relating their specialized work to the total program of the organization.

### ***Volunteers***

- Promote active and broad participation by volunteers in all areas of the organization's work.

### ***Other***

- Promote the mission of Habitat for Humanity in Atlanta with all constituents.
- Maintain appropriate facilities to carry on the operations of the organization.
- Participate in Saturday and evening activities including visiting construction sites, being present at dedications and attending community meetings, as needed.
- Maintain a working knowledge of best practices and significant developments and trends in the fields of affordable housing, residential construction, and nonprofit management.

- Perform other duties as needed.



## Director of Operations

**Position Description:** The mission of Atlanta Habitat for Humanity is to partner with working families, sponsors and communities to build affordable, green, quality homes and to provide support services that promote successful home purchase and ownership. The Director of Operations supports the daily operations critical to the success of the mission.

The Director of Operations is directly responsible for:

- Implementing the strategic plan for the Construction, Real Estate, Site Planning and Design and Retail Sales departments.
- Staff management for the Construction, Real Estate, Site Planning and Design and Retail Sales departments.
- Fiscal oversight for the Construction, Real Estate, Site Planning and Design and Retail Sales departments.
- Setting and ensuring attainment of annual goals for the Construction, Site Planning and Design, Real Estate and Retail Sales departments.
- Oversight of information technology for the organization.
- Facilities management for the organization.
- Additional direct report positions to be added in 2009.

### **Job Conditions:**

- The position is full-time. Office hours are 8:30 am to 5:00 pm, some evening and weekend work is required. This position is classified as exempt.
- The Director of Operations manages Director of Construction, Director of Real Estate, Director of Site Planning, and Director of Retail Sales; reports to the Executive Director; facilitates management team meetings; and is a member of the organization's leadership team.
- This position is subject to periodic DMV checks for driving record and valid driver's license.
- This position is subject to a criminal and credit background check and drug and alcohol testing.
- The Director of Operations is expected to use discretion and independent judgment in carrying out his/her responsibilities and to represent the organization in a professional, knowledgeable and collegial manner at all times.
- Other conditions and benefits are explained in the Personnel Manual.

### **Requirements:**

#### ***Education/Professional Credentials***

- Bachelor's degree.
- MBA with an emphasis in finance, real estate or nonprofit administration preferred.

### ***Experience***

- Minimum of six years senior level management experience.
- Minimum of six years experience in real estate, finance, construction, operations management or nonprofit administration.

### ***Skills***

- Requires excellent computer skills with an in-depth knowledge of Microsoft Windows XP and Office (Excel, Word, Outlook and specifically Access). Database management skills are necessary. Knowledge of MapMerge is helpful.
- Knowledge of systems hardware and software including operating systems, servers and systems administration.
- Strong organization and communication skills.
- Able to meet deadlines and pay attention to details.
- Demonstrated leadership and negotiation skills.

### **Responsibilities:**

#### ***Staff Management***

- Recruit, hire, supervise, train, and evaluate the Director of Construction, Director of Real Estate, Director of Site Planning and Design, and Director of Retail Sales.
- Create and guide the implementation of an annual plan for staff development.
- Update job descriptions annually.

#### ***Fiscal Management***

- Work with the Executive Director, Director of Finance and Technology, staff, and Board of Directors, as needed, to prepare fiscally responsible budgets for the Construction, Real Estate, Site Planning and Design, and Retail Sales Departments and ensure that these departments operate within budget guidelines.

#### ***Planning***

- Participate in the creation of the organization's strategic plan as it relates to real estate, site planning and design, construction, and retail sales functions.
- Set annual goals for the Construction, Real Estate, Site Planning and Design and Retail Sales Departments.

#### ***Operations Management***

- Ensure that all departmental goals are met in a timely manner.
- Review and upgrade systems used by the Construction, Real Estate, Site Planning and Design and Retail Sales Departments.
- Ensure that the operational needs of Atlanta Habitat are supported in an efficient and effective manner.
- Create, implement and enforce policies and procedures for Real Estate, Construction, Site Planning and Design and Retail Sales Departments.

***Leadership***

- Represent all construction, real estate, site planning and design and retail sales issues as a member of the leadership team.
- Lead discussions and planning with the construction, real estate, site planning and design and retail sales departments to provide project linkage.
- Facilitate management team meetings.

***Information Technology***

- Create and annually update technology plan for the organization.
- Oversee acquisition and maintenance of computer network and equipment, as needed.
- Oversee acquisition and maintenance of telephone system, serving as direct contact with vendors and service providers.
- Review software versions annually, procure and arrange for upgrades to software as appropriate.

***Facilities Management***

- Maintain appropriate facilities to carry on the operations of the organization.

***Other***

- Manage special projects at the request of the Executive Director.
- Ensure that the Executive Director is fully informed and appropriately engaged in all planning, administrative, and programmatic activities.
- Prepare reports for the Board of Directors, as needed.
- Participate in Saturday and evening activities including visiting construction sites, being present at dedications and attending community meetings as needed.
- Maintain a working knowledge of best practices and significant developments and trends in the fields of affordable housing, residential construction, and nonprofit management.
- Perform other duties as assigned.

# SUPPORTING DOCUMENTATION

## Resumes of Principal Staff

City of Atlanta Application: Neighborhood Stabilization Program  
Submitted by Habitat for Humanity in Atlanta, Inc.



**Larrie Del Martin**  
**President and Executive Director**

Larrie Del Martin graduated from Rhodes College (formerly Southwestern at Memphis) with a bachelor's degree in Spanish. In college, she served as President of the Women's Undergraduate Board of the student government.

Ms. Martin taught Spanish in the DeKalb County School System and in the Wellesley Massachusetts School System. She obtained an M.A.T. from Georgia State University with an emphasis on Spanish and English. She completed additional work in Special Education and taught Spanish at DeKalb Community College as an adjunct professor.

In 1982, Ms. Martin, with a partner, started a renovation business which specialized in residential renovation in Atlanta's intown neighborhoods. Later, Ms. Martin became the Business Manager of Underground Festival, Inc. In February 1997, Ms. Martin became the Operations Director for Atlanta Habitat for Humanity. In July 1997, she assumed the additional role of the Interim Executive Director. She was selected to be the President and Executive Director in April 1998.

Between 1980 and 1995, Ms. Martin was the Campaign Manager for six successful campaigns for Jim Martin, a member of the Georgia House of Representatives.

Over the last 25 years, Ms. Martin has been active in the Atlanta community serving on the PTA boards at C.W. Hill and Morningside Elementary Schools, Inman Middle School and Henry W. Grady High School. In addition, she was a member of the Executive Board of the Council of Intown Neighborhoods and Schools (CINS) for more than 10 years.

Among other organizations, Ms. Martin has served as Second Vice President of the Morningside-Lenox Park Association, Education Editor of the Morningside-Lenox Park Newsletter, Chair of the Board of the Morningside Recreation Center, a member of the Board of Directors of the Central Health Center and on the board of Community Housing Resource Center. She served as a volunteer with the Atlanta Promise/Promise Shop. Presently, she serves on the Board of Atlanta Interfaith Broadcasters.

As a member of Trinity United Methodist Church, Ms. Martin has served as Chairperson of the Pastor-Parish Relations Committee, Chairperson of Camp Trinity (a summer camp for disadvantaged children) and a member of the Finance Committee.

She received the *Hearts for Youth Award* for her service to youth in the public schools in 1992. Ms. Martin was the recipient of the *Archy Award* from the School of Communication at Henry W. Grady High School in 1995. The Atlanta City Council presented Ms. Martin with a Proclamation in 2002 honoring her "outstanding and dedicated service to the people of our great City." In 2002, FCS Urban Ministries honored Ms. Martin and Atlanta Habitat with a *Doors & Windows of Opportunity Award*.

Ms. Martin was selected to attend the 2003 Habitat for Humanity Leadership Conference at the Harvard Business School. Subsequently, she has been tapped to serve in a leadership capacity on the Habitat for Humanity International Urban Advisory Council. As one of six executive directors representing affiliates throughout the United States, she supports efforts to educate affiliates about new ideas and procedures to strengthen home production and best practices.

In 2004, Ms. Martin received the prestigious *John H. Allen Humanitarian Award* from Atlanta Interfaith Broadcasters, Inc., the Southeast's largest faith-based cable network, recognizing an individual or organization for "distinguished achievement and meritorious service in bringing people together across religious, social and ethnic backgrounds."

In 2007, Ms. Martin was nominated and honored by peers along with nine other Atlanta women into the 2007 Class of the YWCA *Academy of Women Achievers*.

Ms. Martin and her husband, Joe, live in the Morningside neighborhood of Atlanta and have two grown children, Marie and Daniel.

# Dan Garreau

## PROFESSIONAL EXPERIENCE

**Atlanta Habitat for Humanity** **2008 - Present**  
(Product: Non-Profit building affordable, green, quality homes)

**Director of Operations**

**Atlanta, GA**

Responsible for Real Estate acquisitions, Site Planning & Design, Construction and Retail Sales

- Strategic plan implementation, staff management, fiscal oversight and operational oversight for four departments of Atlanta Habitat for Humanity
- Information Technology and Facility Leader

**Albany Door Systems (Division of Albany International)** **2004 - 2008**  
(Product: High Performance Specialty Doors)

**Plant Manager**

**Lawrenceville, GA**

Responsible for Production Control (Order Entry, Purchasing, Scheduling, Material Handling and Shipping), Quality, Facility Engineering and all manufacturing supporting \$25MM in revenue

- Complete overhaul of manufacturing area to implement 5S, Lean manufacturing and one piece flow resulting in a 27% reduction in labor cost adding \$750K to the bottom line.
- Leading multiple material cost reduction projects to add an addition \$1M to the bottom line.
- Completed Six Sigma Green Belt training and implement first "official" Green Belt project to reduce warranty costs due to manufacturing error by over \$50K.
- Completed mentality change from "Good enough" to "Produce to Standard"

**OFS (Formerly – Lucent Technologies)** **1998 - 2003**  
(Product: Optical Fiber and Cable)

**Director of Operations**

**Norcross, GA**

**(2002 – 2003)**

Responsible for Production Control (Purchasing, Scheduling, Material Handling and Shipping), and all manufacturing initially totaling 24 managers and coaches and 600 unionized production specialists.

- Consolidated and Re-Built team to lead three different business units for all aspects of Operations (Procurement, Scheduling, Manufacturing, Inventory, and Delivery).
- Led Operations during numerous downsizings while reaching ever changing production and cost targets.
- Negotiated Union Contract that was ratified with no annual raises.
- Championed Kaizen / Lean Manufacturing implementation leading to a 60% reduction in WIP.

**Plant Manager**

**Avon, CT**

**(2000 – 2002)**

Responsible for Supply Chain (Purchasing, Scheduling, Material Handling and Shipping), Manufacturing Engineering, Controls Engineering, Facilities Engineering and all manufacturing totaling 19 managers and coaches, 26 engineers and over 100 production specialists covering three shifts seven days a week.

- Increased profitability by over 20% with no additional equipment by implementing basic manufacturing discipline including goal setting, process definition, daily reporting structure and accountability / empowerment of supervisors and leads.
- Responsible for P&L of over \$18MM in revenue.

## **Dan Garreau**

### **Manufacturing Manager, Fiber Draw** **Norcross, GA** **(1999 – 2000)**

Responsible for 9 coaches, a trainer and 270 union represented production specialists covering three shifts seven days a week.

- Increased production by over 25% with no additional equipment by reducing turnaround time, decreasing down time, and improving material handling.
- Produced 6% over plan while expenses were 7% under plan.

### **Engineer for Clean Manufacturing** **Norcross, GA** **(1998 – 1999)**

Responsible for 500,000 square feet of Cleanroom Manufacturing space.

- Reduced a \$2.4MM budget by over 30% in six months.
- Project Manager for all activities conducted in the Cleanrooms including cleaning, maintenance and installations to minimize cost and confusion.

## **Donaldson Company, Nicholasville, KY** **1996 - 1998** **(Product: Metal Fabrication for air filtration)**

### **Manufacturing Manager / Plant Superintendent** **(1997 – 1998)**

Responsible for 3 shift production including 4 supervisors and over 250 workers and \$70MM in annual revenue.

- Orchestrated delivery performance improvements from 85% to 98% through cross functional team communication, defining procedures and prioritizing work based on the customers needs not individual department needs.
- Initiated a three year business plan including: production forecasts and goals, product variations, facility lay out, capital expenditures, and manpower allocations.

### **Purchasing Supervisor** **(1997)**

Responsible for four buyers and over \$25MM in purchased parts.

- Conducted strategic supplier reviews and vendor audits to improve vendor relations.
- Negotiated a 7% price reduction on raw steel resulting in over \$200,000 in annual savings.

### **Product Engineer** **(1996 – 1997)**

Coordinator of multi-functional product team for the Gas Turbine System product line. Responsibilities included: team leader; design review; point of contact for all customer issues; and corporate interface.

- Coordinated cost reductions activities in design, scheduling, manufacturing and purchasing resulting in a 25% total cost reduction.
- Lead two Six-Sigma Green Belt projects for key customer, GE, to successful completion
- Led a 70% increase in production from \$6.5MM to over \$11MM.

## **E.D. Bullard Company, Cynthiana, KY** **1994 - 1996** **(Product: Safety Equipment)**

### **Quality Engineer / Manager**

Responsible for the preparation and the completion of a successful ISO 9001 assessment for two facilities including being administrator for over 50% of quality procedures. Supervised three quality auditors.

- Conducted vendor audits and coordinated with vendors for corrective actions. Reduced the auditor staff by 25% while improving product quality.
- Completed ASQ certification for – Quality Manager (CQM), Quality Engineer (CQE), Quality Auditor (CQA) and Quality Technician (CQT).

**Dan Garreau**

**Wagner Lighting of Cooper Automotive, Hampton, VA.  
(Product: Headlamps)**

**1994**

**Quality Engineer**

Liaison for customer quality concerns and Customer Quality Audits. Other responsibilities included: supervision of eight quality auditors; receiving inspection; vendor certification; quality representative for Design and Process FMEAS; coordinator manufacturing testing; SPC Coordinator.

- Completed launch quality criteria, testing, FMEAS, and audits for 1995 Dodge Intrepid.
- Overhauled Quality Control Plan system concluding with a Chrysler SQA approval.
- Completed QS9000 procedures.

**Somerville Packaging, Newport News, VA.  
(Product: Printed Folding cartons)**

**1992 - 1994**

**SPC Coordinator / Production Scheduling**

**(1993 - 1994)**

Responsible for scheduling 8 printing presses, 12 Foils / Stamp Machines and 6 gluing lines in two locations. Collateral duty of SPC Coordinator responsible for production quality sampling, charting, and reporting procedures.

- Initiated SPC Data Collection for product waste, variation in product quality, machine process capability and quality of incoming materials to reduce cost and standardize the processes.

**Project Engineer**

**(1992 - 1993)**

Established specifications, collected bids and coordinated numerous projects including an \$11.4MM Rotogravure printing facility in Danville, VA.

**US Navy - Lieutenant**

**1987 - 1992**

**Naval ROTC Instructor, University of Kansas**

**(1991 - 1992)**

Taught Naval Engineering and Naval Weapons Systems. Other duties included: Total Quality Leadership Coordinator; Computer Security Manager; Management Control Review and Sailing Instructor.

**Flag Lieutenant / Admiral's Aide**

**(1990 - 1991)**

Protocol Officer for Commander US Naval Forces Marinas. Other duties included: Social and Professional Functions Coordinator, Itinerary Manager for Admiral, and visiting dignitaries.

- Personally selected for this highly competitive position.

**Auxiliary and Ordinance Officer on USS Josephus Daniels, Missile Cruiser (1987 - 1990)**

Supervised four divisions (10-15 men each) of enlisted personnel varying from guns, missiles, and sonar technicians to air conditioning and refrigeration repairmen.

## **EDUCATION**

- M.S. Engineering Management, Old Dominion University (3.8 GPA) - 1994
- B.E. Double Major: Electrical Engineering and Mathematics, Vanderbilt University, 1987  
Naval ROTC Scholarship

# SUPPORTING DOCUMENTATION

## Atlanta Habitat for Humanity 2007 Annual Report

City of Atlanta Application: Neighborhood Stabilization Program  
Submitted by Habitat for Humanity in Atlanta, Inc.



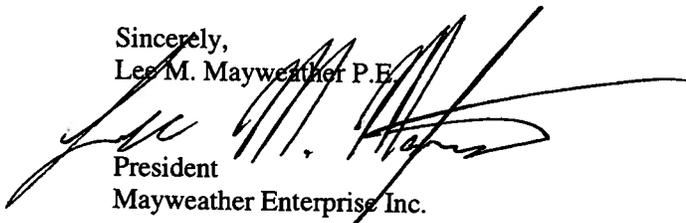
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LETTER OF INTENT  
TO APPLY FOR  
NEIGHBORHOOD STABILIZATION PROGRAM FUNDS

**MAYWEATHER ENTERPRISE INC.  
875 YORK AVE  
ATLANTA GA 30310**

Mayweather Enterprise is pleased to submit our letter of intent to participate in the NSP program allocations. As a long time resident and business owner, I am proud to see the city taking bold steps to improve the quality of life in our communities. We have assembled a development team that composed of long time business owners with strong ties to the economic well being of the city. The associates at Mayweather and its development partners will pledge our full support to this program to ensure it is a success. Again thank you and let's make 2009 a great year.

Sincerely,  
Lee M. Mayweather P.E.



President  
Mayweather Enterprise Inc.

ATTN: Evelyn Nu'Man, Director  
City of Atlanta  
Bureau of Housing  
68 Mitchell Street, Suite 1200  
Atlanta, GA 30303



## Letter of Intent for NSP Program Fund Allocations

### Capacity and Capabilities

Mayweather Enterprise Inc. is a Georgia registered Engineering and General Construction company that has been in the Atlanta market for over twenty years. We specialize in providing consulting engineering and construction services to corporate clients, the community and non-profits. As a complete design-build firm we focus on smaller developments and take our clients concepts from the initial stages through construction and completion. Lee Mayweather, the company's CEO and principle engineer has a long track record with projects that include government, commercial and mixed-use residential. Jonathan Mayweather will be the project manager for the companies NSP program efforts. Jonathan joined the company after a successful career with a national homebuilder. A graduate of the Georgia Institute of Technology, he brings with him a wealth of construction knowledge and a passion for developing affordable housing. He is currently working on a multi-family project in south Atlanta that will provide affordable housing, supportive housing and supportive services for 16 residents. The project is currently being financed with Homeless Opportunity Funds from Atlanta Development Authority and private capital from Capitol City Bank. Mike Hatcher will also join as project manager for the NSP program. Mike is currently receiving his graduate degree in Construction Management from Georgia Tech. He joined Mayweather Enterprise in 2008 after living and owning a successful small business in the west end. In addition to the project managers Mayweather Enterprise also employs 3 full-time in-house project designers and coordinators that advise clients, create custom construction documents and handle all permitting activities for all our clients and company related efforts.

### Plan for NSP Funds

Mayweather Enterprise plans on using NSP funds to acquire, demolish, rehab and redevelop blighted and foreclosed structures within the West End, Oakland City and South Atlanta neighborhoods. We have identified entire streets with multiple foreclosed and abandoned homes in desperate need of funding to demolish them and deter crime and blight, and to redevelop them into quality affordable housing. We plan to leverage NSP funds, Beltline TAD funds, HOME funds and private capital to deliver high quality affordable single family homes and small multifamily apartments to the community. Due to the current economic downturn, Mayweather enterprise will initially use funds for demolition activities, site preparation and rehabilitation. This will immediately decrease crime and blight in the affected neighborhoods. Every identified property will have a detailed construction report and appraisal that will determine if the property will be rehabbed or demolished. If demolished, Mayweather Enterprise will turn the property over to the Atlanta Land Bank for future development. If rehabbed, Mayweather Enterprise will offer the properties for sale or rent with lease purchase options to qualified owner-occupant buyers interested in living in the community. We plan to have a targeted price range of \$129,000 - \$179,000.

### Target Areas

Our target areas will include the following neighborhoods: West End, Westview, Oakland City, South Atlanta, and Lakewood Heights. The primary zip codes for these neighborhoods are 30310 and 30315. Both are listed as top areas for high cost loans, and high foreclosure and abandonment rates. Due to the recent foreclosure crises, we have found entire streets with rows of vacant or abandoned homes. These neighborhoods also do not have strong Community Development Corporation actively pursuing redevelopment opportunities. The current market values for single family residential properties in these neighborhoods are anywhere from \$150,000 - \$350,000. With the average new home (3 bedroom, 2.5 bathrooms selling for \$250,000, we feel that providing new and rehabbed homes to this market below the \$200,000 price point will stimulate the revitalization of the neighborhood and encourage potential buyers to see this as a viable option for building wealth and raising families.

## Project Details

Mayweather Enterprise currently has 1 project scheduled to close at the end of January and will be proposing 4 projects utilizing NSP Funds.

1. **Marcy Street Apartments** – Marcy Street is a one-way street located adjacent to the new Schools at Carver in the South Atlanta neighborhood. Mayweather has entered into a purchase contract for a 16 unit foreclosed apartment building located at 1293 Marcy Street. This project should close at the end of January 2009. We have plans for a total rehab of all the units and new landscapes and streetscapes. Mayweather Enterprise has secured financing from Capitol City Bank and a grant from Atlanta Development Authority's Homeless Opportunity Fund. Advertised foreclosure sale price is \$320,000 with another \$300,000 in rehab cost.. We plan to offer 8 units as permanent supportive housing and the remaining as market rate units. With the addition of NSP funds we can offer all the units as affordable units. Zip code = 30315 Total units = 16 Total NSP Allocation requested = \$320,000 Target Income level = below 50% of AMI Target rents = \$450 monthly
2. **Marcy Street Single Family** – Marcy Street and the adjacent streets also have a number of foreclosed and abandoned homes and lots. Mayweather plans on securing NSP funds, Beltline funds and private capital to buy these properties and offer affordable single family housing options. Zip code = 30315 Total homes = 10 Total NSP Allocation requested = \$45,000 per home Target Income level = at or below 120% of AMI Target sales price range = \$129,000 to \$179,000
3. **Adair Ave/Rhodesia Ave Single Family** – These two streets are located in the Lakewood Heights neighborhood. They are adjacent to each other and are littered with abandoned and foreclosed properties. We have identified 18 homes that have been abandoned with no tax payments or are on the market as REO sales. Many of these properties have advertised sales prices less than \$30,000. Zip code = 30315 Total homes = 18 Total NSP Allocation requested = \$45,000 per home Target Income level = at or below 120% of AMI Target sales price range = \$129,000 to \$179,000
4. **Arlington Ave/ Princess Ave** – Two intersecting streets in Oakland City near the beltline. Arlington Ave has 8 foreclosed properties. Princess Ave has 6 foreclosed and abandoned homes where it intersects with Arlington Many of these properties have advertised sales price less than \$40,000. Zip code = 30310 Total homes = 14 Total NSP Allocation requested = \$45,000 per home Target Income level = at or below 120% of AMI Target sales price range = \$127,000 to \$180,000
5. **Lakewood court apartments** – 28 unit foreclosed apartment building located in Lakewood heights neighborhood. Building is offered at \$714,000 with an additional \$200,000 needed in rehab. . Zip code = 30315 Total units = 28 Total NSP Allocation requested = \$650,000 Target Income level = at or below 50% of AMI Target rents - \$525 monthly

### Other Potential Developments

**Holy Street Apartments** – 12 unit foreclosed apartment building located at holly street and Simpson road. Building is offered at \$300,000 with additional \$250,000 in rehab needed. We plan to offer 12 units as permanent supportive housing

**Paines Ave Apartments** – 12 unit foreclosed apartment building located in English Ave neighborhood. Building is offered at \$300,000 with additional \$150,000 in rehab needed. We plan to offer all 12 units to residents at or below 50% AMI.



**Lanier Street Apartments** – 40 unit vacant, foreclosed apartment located at Simpson road and Westlake Ave. property is offered at \$540,000 with an additional \$480,000 needed in rehab.

**Development Budgets are attached.**

## **Development Partners**

**Mayweather Enterprise – Master Developer, General Contractor, Consulting Engineering**

**City Block Development Group – Project Management, Site Planning, Property Research, Site Selection**

**Apollo Associates Realty – Property Management, New Home Sales, Homeowner education**

**Smith Real Estate Services – Property Appraisals, Development Consulting**

**Hawk Construction – New Construction, Renovations and Rehabs, Property Maintenance**

**Infinity Developers – Property Inspections and Assessment**

**Capitol City Bank – Construction Financing**

For additional Information please contact  
Jonathan Mayweather – (O) 404-753-9222  
(C) 678-516-2495

**Project - 1293 Marcy Street**

**Description - Rehabilitation of a 16-unit 1 bed 1 bath Apartment Building next to Carver High School**

**Target demographic - Supportive units for Former chronically homeless individuals with the ability to live independently**

**Target demographic - Non- Supportive units for residents at or below 50% AMI**

**Common Area - 1 unit set aside for onsite office and meeting room**

**Services Required - 1 case manager providing onsite services, 1 live-in resident manager.**

TENANT BREAKDOWN	UNITS	SQ.FT.	monthly rent	monthly section 8 subsidy	Total rent per unit	Monthly Revenue	Yearly REVENUE
Supportive Units	9	6000	\$200	\$450	\$650	\$5,850	\$70,200
Non-Supportive Units	7	6000	\$500	\$0	\$500	\$3,500	\$42,000
<b>TOTAL Leaseable Space</b>	<b>16</b>	<b>12000</b>				<b>\$9,350</b>	<b>\$112,200</b>

Building Square footage	9800
Land Size sq.ft.	24393

Development Budget			per sq.ft.	per unit
Acquisition Cost	\$255,000	33%	\$26.02	\$15,938
<b>Hard Cost</b>				
Demolition	\$8,000	1%	\$0.82	\$500
Site Work - Landscaping and Paving	\$18,000	2%	\$1.84	\$1,125
Building Construction	\$318,000	41%	\$32.45	\$19,875
Building Construction (Office/Meeting Room Addition)	\$78,000	10%	\$7.96	\$4,875
Furniture	\$5,000	1%	\$0.51	\$313
Architectural and Engineering	\$10,000	1%	\$1.02	\$625
Land Surveying & Site Plan	\$3,000	0%	\$0.31	\$188
Downpayment on Purchase Contract	\$5,000	1%	\$0.51	\$313
<b>Soft Cost</b>				
Environmental Study	\$3,000	0%	\$0.31	\$188
Physical Needs Assessment	\$3,000	0%	\$0.31	\$188
Application Fees	\$250	0%	\$0.03	\$16
Permits	\$5,000	1%	\$0.51	\$313
Legal	\$10,000	1%	\$1.02	\$625
Interest, Origination, Closing Cost	\$0	0%	\$0.00	\$0
Soft Cost Contingencies	\$10,000	1%	\$1.02	\$625
Project Managers Fee - URDC	\$40,000	5%	\$4.08	\$2,500
	\$771,250	100%	\$78.70	\$48,203

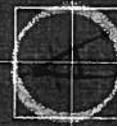
Total Acquisition	\$255,000
Total Hard Cost	\$445,000
Total Soft Cost	\$71,250
<b>Total Project Cost</b>	<b>\$771,250</b>

Financing Structure	% of total project cost	amount	intrest rate	term	monthly debt payment
Commercial Business Loan	10%	\$80,000	7.00%	15	(\$719.06)
Homless Oppurtunity Grant	47%	\$360,000	0.00%	0	\$0.00
Owners Equity Contributions	3%	\$25,000	0.00%	0	\$0.00
NSP Grant	41%	\$320,000	0.00%	0	\$0.00
	102%	\$785,000			(\$719.06)

Operating Statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<b>Scheduled Gross Income</b>	\$112,200	\$113,322	\$114,455	\$115,600	\$116,756	\$117,923	\$119,103	\$120,294	\$121,497	\$122,711
less Vacancy @ 10%	(\$11,220)	(\$11,332)	(\$11,446)	(\$11,560)	(\$11,676)	(\$11,792)	(\$11,910)	(\$12,029)	(\$12,150)	(\$12,271)
<b>Effective Gross Income</b>	\$100,980	\$101,990	\$103,010	\$104,040	\$105,080	\$106,131	\$107,192	\$108,264	\$109,347	\$110,440
less Property Management @ 6.5%	(\$6,564)	(\$6,629)	(\$6,696)	(\$6,763)	(\$6,830)	(\$6,899)	(\$6,967)	(\$7,037)	(\$7,108)	(\$7,179)
less Resident Manager	(\$7,000)	(\$7,070)	(\$7,141)	(\$7,212)	(\$7,284)	(\$7,357)	(\$7,431)	(\$7,505)	(\$7,580)	(\$7,656)
less utilities @ \$40 per month per unit (water / sewer)	(\$7,680)	(\$7,757)	(\$7,834)	(\$7,913)	(\$7,992)	(\$8,072)	(\$8,152)	(\$8,234)	(\$8,316)	(\$8,400)
Common area Utilities	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)
less Maint. Expenses @ 7%	(\$7,069)	(\$7,139)	(\$7,211)	(\$7,283)	(\$7,356)	(\$7,429)	(\$7,503)	(\$7,578)	(\$7,654)	(\$7,731)
less Property Insurance @ 1% of market value	(\$6,400)	(\$6,464)	(\$6,529)	(\$6,594)	(\$6,660)	(\$6,726)	(\$6,794)	(\$6,862)	(\$6,930)	(\$7,000)
less Property Taxes	(\$11,045)	(\$11,155)	(\$11,267)	(\$11,380)	(\$11,493)	(\$11,608)	(\$11,724)	(\$11,842)	(\$11,960)	(\$12,080)
<b>Net Operating Income</b>	\$50,223	\$50,725	\$51,232	\$51,744	\$52,262	\$52,785	\$53,312	\$53,846	\$54,384	\$54,928
less debt service	(\$8,629)	(\$8,629)	(\$8,629)	(\$8,629)	(\$8,629)	(\$8,629)	(\$8,629)	(\$8,629)	(\$8,629)	(\$8,629)
Reserve for supportive services	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Reserve For Capital Expenditures	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
less Project managers fee	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Income</b>	\$11,594	\$12,096	\$12,603	\$13,116	\$23,633	\$24,156	\$24,684	\$25,217	\$25,755	\$26,299

# MAYWEATHER ENTERPRISE INC.

DESIGN - BUILD - ENGINEERING



## Company Profile

Mayweather Enterprise, Inc. is an Atlanta-based Engineering and Design-Build firm specializing in Civil and Structural Engineering for the commercial building sector. Mayweather Enterprises also offers a broad range of services including residential and commercial design, structural steel shop drawings, site plan design and overall Project Management. Founded by Lee Mayweather in 1998, Mayweather Enterprises and its associates have worked with major clients that include schools, public facilities and church organizations.

## Recent Projects

- Southwest Atlanta Christian Academy Gymnasium (25,00 sq.ft.)
- First Korean Presbyterian Church (30,000 sq.ft.)
- South Park Realty Shopping Center (15,000 sq.ft.)
- WLK Office Building (30,000 sq.ft.)
- Mount Ephiram Baptist church (20,000 sq.ft.)

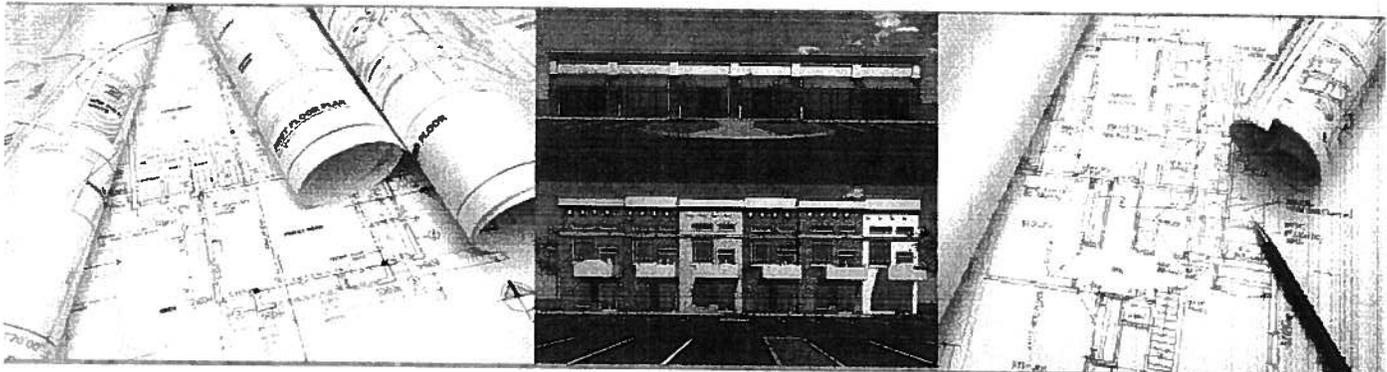
## Licenses and Certifications

- Georgia Registered Professional Engineering Company
- Georgia Registered General Contractor

## SERVICES

- CIVIL ENGINEERING
- STRUCTURAL ENGINEERING
- RESIDENTIAL DESIGN
- COMMERCIAL DESIGN
- PLAN REVIEW
- SITE PLAN DESIGN
- PROJECT MANAGEMENT
- CONSTRUCTION MANAGEMENT

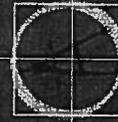
Quality not quantity is our  
commitment to excellence!



**MAYWEATHER ENTERPRISE, INC. 875 YORK AVE ATLANTA, GA. 30310  
(O) 404-753-9222 (F) 404-753-9062 WWW.MAYWEATHERENTERPRISE.NET**

# MAYWEATHER ENTERPRISE INC.

DESIGN - BUILD - ENGINEERING



## Company Experience

### Structural Engineering

- First Korean Presbyterian Church, 30,000 sq.ft.
- Mt. Ephiram Baptist Church, 20,000 sq.ft
- Disciple of Faith Church, 2,500 sq.ft
- House of Prayer, 2,500 sq.ft.
- Southwest Atlanta Christian Academy Gymnasium 25,000 sq.ft

### Structural Steel Detailing

- WLK Office Building, Atlanta, Ga. 30,000 sq.ft.
- Bilo Food Supermarket, Monroe, Ga. 10,000sqft
- Jim Ellis Porsche, Atlanta, Ga.
- Gordon County Government Facility
- Cherokee County Toyota, Cherokee, Ga.
- United BMW, Canton, Ga.
- University of Alabama, Birmingham, Ga.
- Dublin Army Barracks, Fort Stewart, Ga.

### Commercial and Residential Design

- Avondale Pizza Café, Decatur Ga
- Five Guys and a Burger, Atlanta Ga
- South Park Shopping Center, Riverdale, Ga
- Rock Street Apartments, Atlanta Ga
- 100+ Single Family Residences

### CIVIL ENGINEERING

- Southwest Atlanta Christian Academy
- Children's Paradise Day Care Center
- Little Angels Day Care Center
- Hydraulic calculations and completed civil engineering documentation's
- Southwest Atlanta Christian Academy
- Children's Paradise
- Little Angels Day Care Center
- Clarkston First Baptist Church

### Project & Construction Management

- Georgia Dome
- Atlanta Olympic Stadium
- Hartsfield Atlanta International Airport Improvements
- Grady High School
- Boat Rock Housing Complex, Demolition Services
- Hemphill School Road Single Family Homes
- Boulder Park Subdivision and Single Family Homes
- 100+ Single Family Residences

**Charis Community Housing**  
750 Glenwood Avenue SE  
Atlanta, GA 30316

**Evelyn Nu'Man**  
City Of Atlanta  
Bureau of Housing  
68 Mitchell Street, Suite 1200  
Atlanta, GA 30303

**RE: Letter of Intent to Apply for Neighborhood Stabilization Program Funds**

Dear Evelyn,

Charis Community Housing, the housing division of FCS Urban Ministries founded in 1981, is a non-profit faith-based development corporation providing affordable housing for low-income families in Atlanta. In the summer of 2000, FCS/Charis partnered with the South Atlanta Civic League, various church leaders, Atlanta Habitat for Humanity and the Brookwood Group to develop a plan for the revitalization of Atlanta's Historic South Atlanta neighborhood (zip code 30315). This plan included building 120 affordable homes (60 by Charis and 60 by Atlanta Habitat) and 200+ market-rate homes. The plan proceeded through 2005 and into 2006 with great momentum. Atlanta habitat built 50 affordable homes and FCS/Charis completed 22 more. An additional 22 homes were purchased or built by strategic neighbors. Overall, including the commercial buildings and homes, approximately \$10 million was invested in the neighborhood. The Market within the neighborhood began to stabilize and the plan appeared to be working!

In 2007 South Atlanta, like many of the surrounding communities, was heavily impacted by the foreclosure crisis. By mid 2008 almost one quarter of the homes were vacated due to foreclosures. The neighborhood was buried under a burden of boarded homes and displaced families as well as the crime and vandalism. Property values continue to plummet and much of that initial moment has been forfeited. It became clear to FCS/Charis that a new strategy was needed if we are to see the revitalization of this historic neighborhood.

**A New Beginning: A Foreclosure Redemption Strategy**

Much has been discussed by city leaders, community development organizations and others regarding the acquisition and rehabilitation of homes that have undergone foreclosure. As FCS/Charis participated in these discussions, a vision of redeeming some of these foreclosed homes in South Atlanta began to develop. This vision developed into a plan to purchase and rehab 50 homes in South Atlanta over the next three years. These 50 homes will be split into two categories; 30 moderate market-rate homes and 20 affordable homes.

Market-Rate Homes will be purchased for approximately \$70,000. Approximately \$30,000 will be invested in the rehab and these homes will be sold at their current appraised value (estimated at \$125,000.00) to members of the service sector (police/fire/teachers/hospital), ministry partners and others that can come into the



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Atlanta, GA 30316  
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• 404-627-4304  
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• info@chariscommunity.org

neighborhood and add a stabilizing influence. FCS/Charis has currently rehabbed three market-rate homes under this model.

Affordable Homes will be purchased for \$30,000 with approximately \$30,000 invested into the rehab of these homes. These homes will be sold through Charis Community Housing's current affordable home program on a lease/purchase model. Potential buyers for these homes participate in a 10 month training program and lease the home for 12 to 24 months in preparation for purchase.

The total investment of this program will be just under \$5 million which includes purchase, rehab, neighborhood security, plan administration, staffing and communications. As part of this plan FCS/Charis has currently invested \$350,000.00 of our own capital to purchase and rehab the first three homes. We are working with an organization to obtain \$1.5mm in a revolving line-of-credit to cover the planned acquisition costs. Beyond this, we hope to utilize Neighborhood Stabilization Program Funds to assist us in the acquisition and rehab costs. At the end of the plan, FCS/Charis will have acquired and sold 30 market-rate homes, acquired and leased (or sold) 20 affordable homes, and provided a potential revenue stream of \$1.7 million for future, continued neighborhood development.

Respectfully Submitted,



Jim Wehner  
Executive Director  
Charis Community Housing



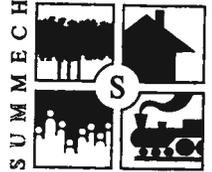
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# S U M M E C H

Community Development Corporation, Inc.  
633 Pryor Street  
Atlanta, Georgia 30312-2789

404.527.5465  
fax: 404.527.5467



2008 DEC 30 PM12:15:27

December 30, 2008

Mrs. Evelyn Nu'Man  
Director  
City of Atlanta  
Bureau of Housing  
68 Mitchell Street, Suite 1200  
Atlanta, GA 30303

Re: Request for Letters of Interest

Dear Mrs. Nu'Man:

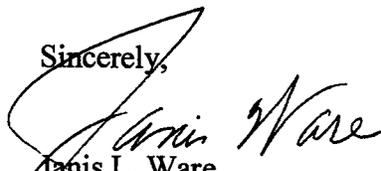
On behalf of the staff and Board of Directors of SUMMECH Community Development Corporation, please accept this letter of interest for the NSP funding. We appreciate the opportunity to submit this letter for consideration by you and your staff.

We are also concerned and sensitive to the effect that the housing and economic crisis has taken on the communities of the City of Atlanta and the nation as a whole. We feel that we can play a critical role in the intervention and remediation of the housing crisis in the targeted areas and the communities of greatest need.

While we have focused our examples on the Mechanicsville area of the City of Atlanta, we are willing and able to provide services to any area that we are invited to work. We would however not wish to eliminate Mechanicsville from consideration. The amount of work that has been completed in our primary community does not need to be lost with this crisis.

Again thanks for the opportunity to submit an application and we are willing to address any questions or concerns you may have in this regard.

Sincerely,



Javis L. Ware  
Executive Director

**1**

**Capacity**

**2**

**Area of  
Greatest Need**

**3**

**Project Details**

**4**

**Budget**

**5**

**Lease Purchase  
Concept**



# Capacity

## 1. Describe your organization's capacity.

As one of the mature, Community Development Corporations in the City of Atlanta, SUMMECH has demonstrated the ability to complete multiple development projects in a specific time allotted and within budget. SUMMECH has successfully turned Mechanicsville into an area in which both current and potential residents find appealing. To date, we have developed eighty-five (85) units of homeownership and 234 rental units that we own independently or in partnership. We have expanded the capacity of the organization to focus on Housing Counseling, Financial Literacy and most recently Public Safety, while completing the acquisition of land for our next proposed development project. Our inventory of available lots to be developed tops seventy parcels.

The ability to connect with land owners has proven to be beneficial with many people donating land to the organization because of its vision and the proven ability of SUMMECH to revitalize this community. The success of SUMMECH has prompted many For-Profit Developers and Investors to select Mechanicsville as a community of choice. The Atlanta Housing Authority applied and received one of the last HOPE VI projects that are revitalizing the McDaniel Glenn Public Housing Project. SUMMECH participated in this application process with developer Noel Khalil of Columbia Residential.

The relationship that we have with the City of Atlanta, Bureau of Housing allowed for a Section 108 EDI Grant to be awarded to the community in 1995. Several components of this award have been successfully completed. There are a couple of other components that will be completed in the upcoming months.

Our mission has been to ensure a holistic approach to community redevelopment. Therefore, when an opportunity to lobby for a grant from Enterprise in conjunction with funding from the Annie Casey Foundation, we gave it our full attention. We were competing with other cities as well as other neighborhoods in Atlanta. The \$10 million award was received and managed by the Atlanta office of Enterprise Foundation. That grant has fostered a relationship with Atlanta Public Schools (APS) and the Atlanta Housing Authority (AHA) which is evident with the Dunbar Elementary School. This school remains a viable and valuable resource for the overall development of the Mechanicsville community.

Community Development is more than bricks and mortar. The need and ability to collaborate with other individuals, organizations and foundations for a positive change to occur in a community is a key strategy and one that makes us proud. This collaboration means that sometimes others ultimately get credit for projects and resources brought to the communities that we serve.

The housing crisis is larger than the Mechanicsville area and the SUMMECH By-Laws have changed to allow for work to be performed in other areas of need in the city of Atlanta. We have a demonstrated track record and the knowledge that will allow us to hit the ground running.

Our small but effective staff has worked as a cohesive unit, while expanding our skills that will allow projects to be completed independently, with partners or with the assistance of expert consultants & contractors. SUMMECH's wealth of knowledge extends to licensed real estate agents/brokers, HUD certified Housing Counseling Agency, Foreclosure Prevention Certifications from NeighborWorks and Public Safety training. This knowledge and expertise affords our organization the ability to provide well rounded comprehensive assistance to individuals and families. The staff has been together operating as a cohesive unit for the past 12 years, which further demonstrates our commitment to our community.

**2. Describe your operational and financial sustainability plan for properties acquired with NSP funds.**

The sustainability plan would involve the revolving of NSP funds to allow for other properties to be acquired, renovated and disposed of to qualified individuals and families. Using a calculated strategy for acquisition, the goal is to purchase the properties at significantly less than market value and sale at a price that allows for all cost to be covered. These costs would include the acquisition, needs assessment, insurance, carrying cost, renovation expense, real estate commission and the developer fee. Earning a developer fee is critical to the sustainability the organization for operations. Financial sustainability will be achieve by leaving the seed money in place to continue this process.

The goal is to add three to five thousand dollars to the sales price of each property. A minimum of \$30,000 and a maximum of \$50,000 could be earned with the first 10 properties completed under this program. Using the seed money in a revolving fashion could allow this to be continued indefinitely or until the housing market stabilizes.

**3. Identify the staff and their role in implementing the project's day-to-day responsibilities. Describe any existing commitments that would impact your ability to implement the project immediately**

We are developing our concept as The Metropolitan Area Housing Stabilization Program; a strategy to acquire foreclosed properties in Mechanicsville, Summerhill, Pittsburgh and the southwest Atlanta communities. This strategy will positively impact these neighborhoods by buying, renovating and selling vacant and boarded up properties to individuals who have a desire to own a home at a price that they can truly afford.

The numbers of newly constructed properties that stand vacant in these areas threaten the tremendous progress made in these communities over the last ten years. Most importantly, it will cost significantly more to build new housing than to purchase the existing standing inventory of houses and return them to marketable condition.

SUMMECH will use the skills, talents of Janis Ware and Felicia Hicks, both of whom are licensed real estate agents in the state of Georgia. Having licensed agents on staff will provide experience and knowledge to support the efforts of this program to negotiate the acquisition and resale of properties. With the expertise on staff and readily available, immediate implementation of the program is possible.

J. Lowell Dunn, who is a previously licensed real estate agent, will assist in identifying the properties. In the current economic climate, it is strongly advised that a male staff member accompany and participate in the inventorying process for safety reasons.

The process will begin by utilizing the Multiple Listing Service (MLS), First Multiple Listing Service (FMLS), Realty Track and other services available to research properties that are currently listed as the highest concentration of foreclosed properties that align with the target areas of the City of Atlanta. We will coordinate with real estate owned (REO) departments of financial institutions (Banks, Fannie Mae, Freddie Mac and HUD), housing organizations, the City of Atlanta and Fulton County.

The goal is to try to acquire "nearly new" housing units on streets that present an overall revitalized or stabilized appearance while working in those areas identified with the highest need. The term "nearly new" is being used to identify housing units that were recently built but were either not finished or were completed, then foreclosed on and subsequently abandoned. Many of these homes will require turnkey renovation while others will require major renovations because of vandalism.

Before the current economic and housing crisis, SUMMECH planned to develop 65 townhouses. Because of the current housing crisis, this plan has been placed on hold. There are three other projects that are current:

Eight Unit Renovation Project - The project is located at 416 Rawson Street, Atlanta. We don't anticipate any delays on this development based on the activities that have already been completed. The Scope of Work for this development was detailed in November 2008. The contractor was selected based on a bid process that was overseen by the

Metropolitan Atlanta Community Development Corporation (MACDC). A contract has been executed with MACDC to perform project management services for this development.

Commercial Development Corporation – 654-656 Pryor Street that is being funded with awards from ACoRa and EDI/Section 108. This project will be undertaken simultaneously and under the direction of our joint venture partner, Pellerin and Solomon. In an attempt to use this commercial development as a launching pad for other commercial developments, we will play an active and participatory role.

Pre-development initiative – The land for this project has been acquired and funds will be used to complete environmental testing, surveys and architectural services for the future development. With the letting of the contract for services and oversight of the work that has been procured, the individuals or companies with whom we will contract will complete the actual work.

The work load detailed and described above shows that this project will not adversely affect the ability of the staff to complete activities under the Neighborhood Stabilization Program.

#### **4. Describe your previous housing development experience.**

**Rosa Burney Manor Apartments:** The first housing development was a Tax Credit project that consisted of 54 units of scattered site apartment units in Mechanicsville. The project was a gut rehab of one and two bedroom units that were completed with the relocation of residents to other units in our development until the renovations were completed. The renovations were completed in a timely fashion and units placed in service in order to comply with the tax credit funding guidelines. This project involved the use of Community Development Block Grant (CDBG) funds.

**Ware Estates Phase I** – The first new construction multi-family initiative in over 30 years in the Mechanicsville community. This project consisted of sixteen, 2 and 3 bedroom units with 2.5 baths with garages. Units were marketed and sold to first time home buyers and primarily individuals who were moving into inner city communities of the City of Atlanta. While the project was extremely successful (by selling all 16 units in 45 days), the Market analyst projected that one unit would be sold every other month. The outreach strategy to meet our development goals was grass roots and non – traditional. These units sold between \$95,000 - \$112,000.

**Ware Estates Phase II** – This phase consisted of 32 town house units with a little larger square footage and some with two car garages. The price of these units was between \$125,000 - \$150,000.

**Ware Estates Phase III** – The last phase was a 21 unit development with enhancements that included hardwood floors. The units sold between \$150,000 - \$180,000. Staff was responsible for the marketing and selling of all units.

**The total development cost for all three phases was \$7.6 million dollars.**

In 2005, we embarked on our first single family detached housing units on the south side of Ralph David Abernathy Boulevard marketed under our Paving the Way to Homeownership Brand.

**Paving The Way - Phase I** - consisted of six houses that sold at a range of \$180,000 - \$240,000. Capitol City bank provided the construction financing for this development.

**Paving The Way - Phase II** – consisted of five houses that strategic upgrades were added to enhance the marketing of the units based on the options that were available in the marketplace. All units were completed on time and within budget.

**Paving The Way - Phase III** – consisted of five scattered site in-fill housing units. This development had a couple of firsts: the first scattered site units and the first units that were affordable for individuals at eighty percent of area medium income

***Staff handled all of the marketing and selling of the single family housing units.***

**5. Identify your experience in working with the CDBG or HOME program.**

The work of SUMMECH over the past thirteen years has afforded us the opportunity to successfully complete several developments with the use of CDBG and HOME funds. The first development completed, Rosa Burney Manor Apartments, used HOME funds and Tax Credits. Ware Estates Phases I, II, and III were completed with CDBG funds from the City of Atlanta. Audits of the files and records of the projects reflect no findings.



## Areas of Greatest Need

**6. Identify the specific geographic location you plan to implement your project. Describe how this area meets the definition of Areas of Greatest Need as it relates to % foreclosures, % sub-prime loans and likelihood to face a significant rise in foreclosures. Include a listing of specific residential addresses you intend to acquire, if eligible.**

Based on the development activities of SUMECH Community Development Corporation over the past 20 years and the proximity to downtown and the Interstates, Mechanicsville, Summerhill, Peoplestown and several communities in southwest Atlanta have become an area where investors sought out vacant land for development. There were some legitimate investors and there were others who decided on the area based on their ability to create fraud. Houses were built but placed a value on the structures that were out of line with the market and the area. However, in the housing boom, many mortgage companies, appraisers and underwriters participated in this activity willingly or unknowingly. As a result of the actions of many, there are many units standing vacant, incomplete and most often vandalized.

A drive through the targeted neighborhoods will allow for a listing to be compiled of all of the properties that are currently listed for sale in both communities. A separate listing will be compiled of properties that appear to be vacant and/or abandoned.

Additional research will be required to identify the owner or lending institution that has interest in those properties. The Fulton County Tax Assessors office will be the starting point for the research as well as The Fulton County Daily Report Newspaper or the consolidated report that runs in The Atlanta Voice Newspaper.

**Listing of specific addresses of properties to acquire:**

- 1. Townhouse on Ira Street off Eugenia Units 101, 201 501, 604, 701, 801, 901, 1001, 1101**
- 2. Townhouses on Pryor Street - 686 Pryor Street Unit 1, 2, 4, 5**
- 3. 737 Cooper Street**
- 4. 759 Cooper Street**
- 5. 741 Cooper Street**
- 6. 723 Cooper Street**
- 7. 735 Cooper Street**
- 8. 731 Cooper Street**
- 9. 721 Cooper Street**
- 10. 447 Ira Street**
- 11. 620 Ira Street**
- 12. 390 Bass Street**
- 13. 410 Bass Street**
- 14. Vacant unit on Smith Street – Number not on property**
- 15. 721 Windsor**
- 16. 710 Windsor**

**7. Describe the condition of foreclosed, vacant or abandoned properties in your target area and the current market value of residential homes. Identify how you will determine if the properties need to be rehabbed, and your system for determining the after-rehab market value.**

Mechanicsville has a large number of foreclosures in the area that has been the focus of our development initiatives. Many of these units were never occupied by individuals who purchased them as their primary residence. Some houses were never occupied at all. Many of the homes are vacant and boarded up currently. The property values have consequently been reduced by the foreclosures that have occurred over the last several months. This is evident by the list prices of many houses in the area.

The homes that we would be interested in acquiring were built in the last three to five years. The units that present the most interest are a mixture of housing styles from brick fee simple townhouse units to single family detached homes and contemporary fee simple townhouse.

**Real example of property prices and possible sales pricing:**

*Address of actual property: 830 Pryor Street S.W.*

*Current List price in MLS - \$39,500.00 As-Is. (currently under contract for purchase)  
The property was constructed in - 2005. Fulton County Tax records value - \$215,000.00.  
This is a 3 bedroom 2.5 bath, approximately 1500 square foot house with off street parking.*

*Estimate of repairs - \$30,000.00*

*Total Investment \$69,500.00.*

*EZ community the down payment of up to \$50,000.00*

*Mortgage amount could be \$19,500.00.*

**While this example may be considered an extreme case, there are many others that are available in the surrounding communities.**

**The following are the steps that will be used to make a final determination of purchase:**

**CONDUCT PHYSICAL NEEDS ASSESSMENT:**

SUMMECH and the City of Atlanta have a contractual relationship with the Metropolitan Atlanta Community Development Corporation (MACDC). We would contract with

MACDC to provide a Scope of Work for each property and provide the construction management services.

As construction managers they will assign project managers to provide a complete list of the work required to bring the property up to code and make the units marketable. Being that many of the properties were built within the last couple of years, the repairs could vary based on state of completion or the degree of vandalism that may have occurred over time.

#### **CONTRACTORS PROVIDING THE RENOVATION SERVICES:**

MACDC has, as a part of its contract with the City of Atlanta, a list of qualified construction companies. The contracted companies have requirements that met the city's requirements that include but are not limited to: bonding, insurance and references. The MACDC and the city have vetted the contractors to insure that none of the contractors have any violations and are in good standing with the state-licensing agency.

Three contractors will be given an opportunity to bid on the require work and a contractor will be selected based on pricing, workload and completion time.

#### **DETERMINING THE VALUE OF THE PROPERTY AFTER RENOVATION**

The market forces will determine the value of the property after renovation. It would be the goal of this project to ensure that the required renovations in a cost efficient manner. Additionally, we will ensure that the value after renovations are completed will cover the cost of the acquisition, rehabilitation; marketing and selling are all covered. In this market, a Lease Purchase agreement will be strongly considered.



## **Project Details**

**8. Describe your project details. Include the # of units, rental or homeownership, income category(s) of intended beneficiaries and proposed sale prices or rental rates.**

The objective would be to sell the units to individuals and families that would be interested in moving into neighborhood at or below 100% of the Area Medium Income. Homeowners bring stability to their personal family situation and to the neighborhoods in which they reside.

### **GOAL**

Unit Goal	10 houses
Home Ownership	10 houses

It is our preference to use Lease Purchase as a viable option verse rental. The maximize number of Lease Purchase Options available would be limited to 5 of the 10 units.

### **Intended beneficiaries would be:**

- ✓ First time home buyers
- ✓ Individuals and families below 100% of AMI

**9. Explain your strategy for implementing the project within a nine month time limit.**

The Board of Directors and staff of SUMMECH have been working on a strategy for dealing with the foreclosure crisis in Mechanicsville and other communities in the city of Atlanta. It is important to take advantage of the window of opportunity that exists now with the high number of bank owned properties.

An inventory of available properties will be compiled in the targeted areas. The goal would be to gather information on three times the number of units intended to purchase to ensure that the goal is met.

An analysis will be completed using current sales data, the tax assessor's website and other active listing to determine a fair offer price. Price will be determined on the estimated amount of the required repairs.

An offer will be made on the property and negotiations will commence. We will be prepared to walk with the prices are out of line with the market.

**ACQUISITION PROCESS:**

Using all real estate websites, which will include Multiple Listing Service (MLS), First Multiple Listing Service (FMLS), and Realty Track to locate the available homes in the market, will identify properties. Additionally, we will contact the following organizations for access to all available real estate owned (REO) inventory: Portfolios from loan servicers, Lenders, Banks, HUD, Fannie Mae and Freddie Mac.

Prices will be negotiated with lenders thru the mechanism that that entity requires: written offer, bidding process or auction.

**DISPOSAL OF THE PROPERTIES:**

Renovated units will be sold to individuals who qualify with a focus on individuals at or below eighty percent of AMI. Those properties that are located in the Empowerment Zone communities can qualify for the Mortgage Assistance Program Dollars of up to \$50,000 per home.

**10. Explain your marketing strategy and how you intend to sell or rent the units.**

**MARKETING THE UNITS:**

The properties will be marketed while the units are being renovated and tours can be scheduled to ensure that participants are aware of houses available under this initiative. Once the properties are sold the funds would revolve into another home purchase and renovation

Properties will be listed in Georgia Multiple Listing Service (GAMLS) and in First Multiple Listing Service (FMLS). Signs will be placed in the front of each property during the renovation so that the property will get maximum exposure. Alternative marketing strategies will be introduced to allow the general market to have access to the information with or without the use of a licensed real estate agent. A real estate commission will be required in order to ensure the agents will bring their clients to see the units. We will introduce bus tours of the houses on certain days to allow more eyes to see the properties at the same time. This strategy has worked in other cities and in other areas of the Atlanta.

This program would allow for properties available in the Empowerment Zone (EZ) communities. The Mortgage Assistance Program (MAP) still has funding available for individuals who resided in the EZ communities offering down payment assistance of up to \$50,000. Obtaining mortgage financing is extremely difficult in this current market. So for those who need it, this presents an opportunity to provide owner financing to individuals who would be ready for ownership in two year's time or less. A lease-purchase option for some qualified potential buyers will be strongly considered. A suggested lease purchased program is being submitted for review and consideration.

It is strongly suggested that potential clients who express interest in purchasing the homes be required to complete a Housing Counseling Class by a HUD approved Housing Counseling Agency. This could be accomplished during the acquisition and renovation phase. That way there is a ready stock of buyers once the properties are completed and ready for occupancy.



## Budget

11. Identify the total development cost and the amount of NSP funds needed. What specific activity(ies) will NSP funds finance? Describe your ability to secure other financial resources to supplement project costs.

The goal is to acquire a minimum of Ten (10) Houses

Acquire Properties at or below:	\$65,000.00	\$650,000.00
Required Repairs/Project Mgmt.:	\$2,000.00	\$ 20,000.00
Renovation cost	\$15,000.00	\$150,000.00
Insurance Cost		\$20,000.00
Estimated Holding Cost		\$10,000.00
Working Capital		\$10,000.00
		<b>\$ 860,000.00</b>

The estimates are rough estimates. We should be able to purchase some of the houses for less than the \$65,000.00. All properties will not require Fifteen Thousand Dollars worth of repairs. The insurance cost will be high because the property is vacant, the economic climate and the increase in crime/vandalism.

We would be looking for Five Hundred Thousand Dollars from NSP funding. With the commitment of funding, we would approach lending institutions where we have relationships to provide or allow the funds to be leveraged for this project. Primarily, we would use the funds for acquisition of the properties. In the current housing market, lending institution would be more willing to loan money against the property to cover the cost of than for acquisition.



*Lease*

*Purchase*

*Program*

DRAFT

## ***Lease Purchase Program***

### **SALES PRICES:**

It is proposed the sales price of the property be used as the basis for the lease purchase program. The program should stipulate that the Sales Price of the property can not exceed the appraised value of the property.

### **PHYSICAL AND STRUCTURAL CONDITION**

Properties should be in the best physical and structural condition possible and available for immediate occupancy. It is preferable that these homes participating in this program initially be located in areas where the City of Atlanta has operating Community Housing Development Organizations (CHDO) and or in the area that makes up the Renewal Community Footprint (ACoRA).

### **GUIDELINES:**

Individuals selected to participate in the program must be willing to sign an agreement to fully cooperate with the supporting Community Development organization. The assistance will be comprehensive to allow for the potential purchaser to move from the lessee to the status of buyer.

The sales prices should allow for an individual who is making up to One Hundred Percent (100%) of Area Medium Income. This program should allow for participants to make the lease payments while paying off existing debt. The period for conversion from Lease to Purchase should not exceed 36 months.

**EXAMPLE:**

The Example below is using the actual sales price and the down payment assistance dollars available for this unit.

**Sales Price: \$100,000.00**

**Down Payment Assistance:**

The down payment assistance dollars that the individuals would qualify for based on income would be allotted and applied against the sales price.

**AHA \$20,000.00\***

\* These funds are available under the Capital Gateway Program and is based on income.

**MAP \$50,000.00\*\***

The MAP down payment assistance funding would be applied against the sales price.

\*\* *The amount shown is based on recommend increase.*

**The total amount of down payment assistance available for this property totals \$70,000.00.**

Therefore, the amount of additional funds needed to complete this deal would only be \$30,000.00. These amount could remain in the deal from the Neighborhood Stabilization Fund. Under this lease purchase program the Community Development Corporation would be paid in full

It would be agreed that the assistance that each participant qualifies for would be received and held in trust by some governmental entity (i.e. City of Atlanta – Bureau of Housing, Atlanta Development Authority- ADA) jointly with the individual potential purchaser.

SUMMECH would then have a lease purchase agreement with the purchaser in the amount of \$30,000.00. We suggest that the lease purchaser have some of their own money involved in this transaction.

The lease purchaser would pay what would amount to principal, interest, taxes and insurance for a minimum of 1 year, maximum of 3 years. In that time allocated all payments would be

Draft Lease Purchase Program for City of Atlanta – Submitted by SCDC

deposited into an interest bearing savings account in the name of the CDC and City of Atlanta. Two withdrawals would be made yearly, for taxes and insurance. All other funds will remain in the account. At the time of permanent financing or secured mortgage financing, the sales price would be the amount of the lease purchase contract. All accumulated funds in the interest bearing savings account will be applied against the sales price as down payment on the mortgage.

In this scenario, the NSF funds contributed to this lease purchase plan would be completely held by SUMMECH to be used again. The same guidelines for the repayment of the down payment funds would apply in the process. The timing should begin at the lease purchase agreement.

Upon lease purchaser receiving a mortgage on the property all other funds held in reserve will be officially released to SUMMECH/COA. This arrangement will possibly require an intergovernmental agreement with the parties participating in this program. Special allowances will be required for the Federal Dollars.

For purpose of comparison, payments of Principal, Interest, Taxes and Insurance (PITI) have been calculated at the current market rate and a reduced rate. It is suggested that the lower interest rate be used for this program to allow for the purchaser to pay off any additional debt to allow for them to qualify for the mortgage during the terms of the lease purchase program.

The amount to be financed for the permeate mortgage will be the difference in the amount of the sales price and the amount of the down payment programs. In this example: the \$100,000.00 – minus the \$70,000 to equal \$30,000.00.. Insurance and Taxes have been estimated for this example. Taxes were based on the current assessment.

The payment for financing \$30,000.00 at a 6.0% interest rate (current interest rate) would be as follows:

Principal & Interest	\$ 179.00
Taxes	\$ 200.00
Insurance	<u>\$ 100.00</u>
	<b>\$ 479.00</b>

The proposed payment will allow lease-purchaser \$192.35 monthly to eliminate any outstanding debt or credit concerns for a minimum of one year to a maximum of three years. The totals are \$2,308.32 for one year to \$6,924.96 for the full three years.

This payment would be adjusted by the increase in taxes and insurance only. This will be a fixed rate mortgage. No second mortgages or borrowing against the property would be allowed.

## Draft Lease Purchase Program for City of Atlanta – Submitted by SCDC

We need to determine if the purchaser can claim the taxes and insurance payments to truly allow for maximum benefits. This can be a win, win for all.

Upon the permeate financing, the funds provided by NSP will be repaid and to allow the program to continue.

1. Provide homeownership opportunities immediately
2. Down payment funds will allow for fewer dollars to come from NSP funds.
3. CDC sells the standing inventory.
4. Purchaser begins the homeownership process.
5. Take out mortgage allows funds to be recycled.
6. Promotes and provides quality affordable housing.

### **Disadvantages**

1. Fewer individuals get to use the money
2. Money is tied up for a period of up to three years.

### **Needed**

1. Agreement with Atlanta Housing Authority for the implementation and utilization of their funds.
2. Agreement with ACORA for the use of the MAP funds
- 3.
4. Lease Purchase Legal Documents.

### **Responsibility of the Community Development Corporation**

1. Identify qualified candidates to participate in pilot program.
2. Review current credit reports and determine issues to make credit worthy.
3. Identify a lender that would be willing to assist in the process.
4. Collect the monthly payments or monitor the receipt to ensure compliance.
5. Identify legal firm to draw up the agreements with approval and oversight by COA.
6. Meet with lease purchasers periodically.
7. Provide periodic updates to City of Atlanta-Bureau of Housing.
8. Be responsible for the tax and insurance payments.

**Draft Lease Purchase Program for City of Atlanta – Submitted by SCDC**

*Lease*

*Purchase*

*Program*

DRAFT

## ***Lease Purchase Program***

### **SALES PRICES:**

It is proposed the sales price of the property be used as the basis for the lease purchase program. The program should stipulate that the Sales Price of the property can not exceed the appraised value of the property.

### **PHYSICAL AND STRUCTURAL CONDITION**

Properties should be in the best physical and structural condition possible and available for immediate occupancy. It is preferable that these homes participating in this program initially be located in areas where the City of Atlanta has operating Community Housing Development Organizations (CHDO) and or in the area that makes up the Renewal Community Footprint (ACoRA).

### **GUIDELINES:**

Individuals selected to participate in the program must be willing to sign an agreement to fully cooperate with the supporting Community Development organization. The assistance will be comprehensive to allow for the potential purchaser to move from the lessee to the status of buyer.

The sales prices should allow for an individual who is making up to One Hundred Percent (100%) of Area Medium Income. This program should allow for participants to make the lease payments while paying off existing debt. The period for conversion from Lease to Purchase should not exceed 36 months.

**EXAMPLE:**

The Example below is using the actual sales price and the down payment assistance dollars available for this unit.

**Sales Price: \$100,000.00**

**Down Payment Assistance:**

The down payment assistance dollars that the individuals would qualify for based on income would be allotted and applied against the sales price.

**AHA \$20,000.00\***

\* These funds are available under the Capital Gateway Program and is based on income.

**MAP \$50,000.00\*\***

The MAP down payment assistance funding would be applied against the sales price.

\*\* *The amount shown is based on recommend increase.*

**The total amount of down payment assistance available for this property totals \$70,000.00.**

Therefore, the amount of additional funds needed to complete this deal would only be \$30,000.00. These amount could remain in the deal from the Neighborhood Stabilization Fund. Under this lease purchase program the Community Development Corporation would be paid in full

It would be agreed that the assistance that each participant qualifies for would be received and held in trust by some governmental entity (i.e. City of Atlanta – Bureau of Housing, Atlanta Development Authority- ADA) jointly with the individual potential purchaser.

SUMMECH would then have a lease purchase agreement with the purchaser in the amount of \$30,000.00. We suggest that the lease purchaser have some of their own money involved in this transaction.

The lease purchaser would pay what would amount to principal, interest, taxes and insurance for a minimum of 1 year, maximum of 3 years. In that time allocated all payments would be

Draft Lease Purchase Program for City of Atlanta – Submitted by SCDC

deposited into an interest bearing savings account in the name of the CDC and City of Atlanta. Two withdrawals would be made yearly, for taxes and insurance. All other funds will remain in the account. At the time of permanent financing or secured mortgage financing, the sales price would be the amount of the lease purchase contract. All accumulated funds in the interest bearing savings account will be applied against the sales price as down payment on the mortgage.

In this scenario, the NSF funds contributed to this lease purchase plan would be completely held by SUMMECH to be used again. The same guidelines for the repayment of the down payment funds would apply in the process. The timing should begin at the lease purchase agreement.

Upon lease purchaser receiving a mortgage on the property all other funds held in reserve will be officially released to SUMMECH/COA. This arrangement will possibly require an intergovernmental agreement with the parties participating in this program. Special allowances will be required for the Federal Dollars.

For purpose of comparison, payments of Principal, Interest, Taxes and Insurance (PITI) have been calculated at the current market rate and a reduced rate. It is suggested that the lower interest rate be used for this program to allow for the purchaser to pay off any additional debt to allow for them to qualify for the mortgage during the terms of the lease purchase program.

The amount to be financed for the permeate mortgage will be the difference in the amount of the sales price and the amount of the down payment programs. In this example: the \$100,000.00 – minus the \$70,000 to equal \$30,000.00.. Insurance and Taxes have been estimated for this example. Taxes were based on the current assessment.

The payment for financing \$30,000.00 at a 6.0% interest rate (current interest rate) would be as follows:

Principal & Interest	\$ 179.00
Taxes	\$ 200.00
Insurance	<u>\$ 100.00</u>
	<b>\$ 479.00</b>

The proposed payment will allow lease-purchaser \$192.35 monthly to eliminate any outstanding debt or credit concerns for a minimum of one year to a maximum of three years. The totals are \$2,308.32 for one year to \$6,924.96 for the full three years.

This payment would be adjusted by the increase in taxes and insurance only. This will be a fixed rate mortgage. No second mortgages or borrowing against the property would be allowed.

## Draft Lease Purchase Program for City of Atlanta – Submitted by SCDC

We need to determine if the purchaser can claim the taxes and insurance payments to truly allow for maximum benefits. This can be a win, win for all.

Upon the permeate financing, the funds provided by NSP will be repaid and to allow the program to continue.

1. Provide homeownership opportunities immediately
2. Down payment funds will allow for fewer dollars to come from NSP funds.
3. CDC sells the standing inventory.
4. Purchaser begins the homeownership process.
5. Take out mortgage allows funds to be recycled.
6. Promotes and provides quality affordable housing.

### **Disadvantages**

1. Fewer individuals get to use the money
2. Money is tied up for a period of up to three years.

### **Needed**

1. Agreement with Atlanta Housing Authority for the implementation and utilization of their funds.
2. Agreement with ACORA for the use of the MAP funds
- 3.
4. Lease Purchase Legal Documents.

### **Responsibility of the Community Development Corporation**

1. Identify qualified candidates to participate in pilot program.
2. Review current credit reports and determine issues to make credit worthy.
3. Identify a lender that would be willing to assist in the process.
4. Collect the monthly payments or monitor the receipt to ensure compliance.
5. Identify legal firm to draw up the agreements with approval and oversight by COA.
6. Meet with lease purchasers periodically.
7. Provide periodic updates to City of Atlanta-Bureau of Housing.
8. Be responsible for the tax and insurance payments.



December 30, 2008

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Ms. Evelyn Nu'Man, Director  
City of Atlanta  
Bureau of Housing  
68 Mitchell Street, S.W.  
Suite 1200  
Atlanta, Georgia 30303

Dear Ms. Nu'Man:

Please accept this letter from the University Community Development Corporation (UCDC) as a Letter of Intent to apply for Neighborhood Stabilization Program (NSP) funding which has been set-aside from the Georgia Department of Community Affairs (DCA) and allocated to the City of Atlanta.

**BRIEF HISTORY**

UCDC, a city certified Community Housing Developer Organization (CHDO), was created in 1989 as a non-profit, 501c3 Community Development Corporation (CDC), with a mission of assisting to revitalize the community on the west side of Atlanta and the neighborhoods surrounding the Atlanta University Center (AUC). Since its creation UCDC has worked with the city and both the Community Development Block Grant (CDBG) and the HOME Investment Partnership programs. These programs have allowed UCDC to develop housing for families with incomes at or below 80 percent of Atlanta's Area Median Income (AMI).

**CAPACITY**

UCDC has both the human capacity and the financial capacity to operate and sustain the NSP project from implementation to conclusion. The UCDC staff consists of three full time positions and a contract position that is filled as the need arises. Currently, UCDC is in the process of filling one of the full time positions which will require experience with CDBG and HOME funded projects as well as experience with development and construction of both new and vacant rehabilitated houses. This position will be filled by January 15, 2009.

The staff that will work on this project will be:

*Director of Development and Programs (DDP), will identify and negotiate the purchase of foreclosed properties, clean, close and insure properties after acquisition, assure that acquisitions are kept safe, assist with development of the rehabilitation scope of work, prepare and distribute Requests for Bids (RFB) for the rehab work, assist with the scoring and selection of the contractor, work on a daily basis*

with UCDC's construction management to assure the project stays on schedule and on budget, conduct all marketing activities for potential buyers such as Homeownership Training, Lunch and Learns, and Homebuyer Expos.

*Executive Director*, will assist the DDP with all aspects of the project, conduct weekly development team meetings, handle all negotiations and closings for acquisition, assist with the development of the rehabilitation scope of work, assist with the development of the RFB, negotiate all construction contracts, review all pay requests, assist with all marketing activities.

*Office Manager*, will handle all financial aspects of the HOME grant, prepare payment request, assure financial guidelines are being followed and managing the required files and documentation.

UCDC began its housing rehab program not long after its creation. In 1998, UCDC received a HOME grant from the City of Atlanta to do vacant housing rehab. That program yielded approximately 15 houses that were sold to families with affordable incomes. In 2003, UCDC began building single family detached houses on infill lots in the neighborhoods around the AUC. These infill houses were sold to families with income at or below 80 percent of Atlanta's AMI. In 2004, UCDC added "green" building to its scope for all new construction houses. From 2004 to 2007, UCDC built 15 infill single family houses with 9 houses meeting green standards. In 2006, UCDC was chosen by the City of Atlanta and HUD to do a demonstration project showing that HUD repossessed properties could be rehabilitated green and still be made affordable for families at or below 80 percent of Atlanta's AMI. Also in 2006, UCDC received a HOME grant from the City of Atlanta for the rehabilitation of 4 houses. UCDC began working on this project in the second quarter of 2007 and despite several delays beyond UCDC's control, completed and sold the house by the fourth quarter of 2007.

#### AREA OF GREATEST NEED

UCDC has identified as "Areas of Greatest Need" as zip codes 30310, 30314 and parts of 30331. We believe that foreclosure in these areas ranges from 25 to 30 percent of the housing stock. While we have identified housing in these zip codes that have been foreclosed we also understand that these properties may not be available by the time this funding is available. Please see the attachment for a partial list of properties. As we have researched the foreclosures in these areas, we have also done a cursory review of the condition of some of these properties. We have found that most of the properties that we would target need moderate to significant work. They are less than fifty years old and need more than cosmetic repair, but less than major reconstruction. Our analysis shows that these properties can be completed within 70 to 110 days from acquisition (given a reasonable permitting period).

UCDC has been working in these zip codes for the past 15 or so years. We understand the current market values and know what properties are selling for based on their current condition. This knowledge will assist us with purchasing properties at prices that take into consideration the current condition as well as the price that it should sell for once rehabilitation is completed. Additionally, UCDC will secure an "as built" appraisal that will help set the value before any work is started. Additionally, prior to acquisition, during the due-diligence period, UCDC will prepare a preliminary scope of work that will determine the extent of the rehabilitation that is needed and thus whether the acquisition should be consummated.

## **PROJECT DETAILS**

UCDC, in anticipation of this funding, has been working with the neighborhood organizations in the area to identify properties in the neighborhoods that have foreclosed, and that would be key to the redevelopment of the neighborhood. The neighborhood organizations and the residents are more familiar with these properties and have provided lists of properties which are currently or recently foreclosed. It is UCDC's intent to acquire 30 to 35 properties across three neighborhoods located in the 30310 and 30314 zip code and an additional 5 to 10 in the 30331 zip code.

The project will operate as follows: UCDC and the neighborhoods will identify properties that qualify for acquisition as a foreclosed and/or abandoned property. UCDC will contact the company that holds title to the property (after foreclosure) and negotiate a price for acquisition that is 80 percent of the market value to the property in its "as is" condition. During the due diligence period prior to settlement of the acquisition UCDC will do an initial scope of work for the rehabilitation. This will determine if the acquisition should be consummated, and be the basis for the development cost and final market price.

Upon completion of the acquisition, UCDC will clean, close and insure the property. UCDC will immediately have the plans and specifications for the rehabilitation prepared along with the scope of work to be sent out as a Request for Bids to three contractors that have been properly identified and approved by the City of Atlanta's Bureau of Housing. Simultaneously, marketing of the property will begin immediately upon securing final plans and specifications being approved. Upon selection of the contractor UCDC will issue a notice to proceed and begin construction. It is UCDC's intention to use the Metropolitan Community Development Corporation (MACDC) as its construction manager. UCDC, the contractor selected MACDC and our marketing team (including the neighborhoods) will be considered our development team and will begin to meet weekly to follow the progress of the development and marketing of the property. All development related issues will be handled in our weekly development team meetings. It is UCDC's intention to purchase as many properties in a bundle as possible, which means, the process outlined above will be duplicated, and the development team will be meeting to discuss multiple properties weekly. All properties acquired and rehabilitated will be rehab "green" and UCDC will engage South Face Environmental as its "green" consultant to advise and guide on implementing "green" criteria.

UCDC has the capacity to manage the rehabilitation construction of multiple properties at one time and will select several contractors to keep the process moving according to plan. By overlapping the start of rehabilitation construction of several properties we believe we can complete and market 35 to 50 properties within the nine month time required.

During construction our marketing team will be working to secure a qualified buyer for these properties. Marketing will include Homeownership Training Sessions, working with United Way's IDA program through Reynoldstown's Homeownership Center, Atlanta Housing Authority's Gateway Program and general advertising, flyers and working with the real estate community through the Multiple Listing systems. Additionally, the neighborhoods in which the properties are located, will assist with marketing by identifying potential buyers.

**BUDGET**

Based on the knowledge, UCDC has of the market value of foreclosed properties in the identified neighborhoods. We believe that properties can be acquired for approximately \$40,000.00 per house which is 80 percent of the "as is" market value. Properties at this price generally require approximately \$50,000.00 in rehabilitation hard costs, and upon completion should be valued at approximately \$150,000.00 to \$180,000.00. Therefore, a preliminary budget is as follows:

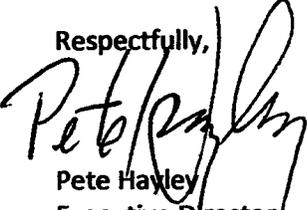
Acquisitions	\$1,500,000.00
Soft Costs	\$ 10,000.00
Hard Costs	\$1,300,000.00
Total	\$2,810,000.00

A more complete and comprehensive budget will be submitted with our response to any Request for Proposal.

UCDC currently has a line of credit with the Enterprise Community Partners which could be leveraged to bring resources to this project. Additionally, as a CHDO, UCDC has access to the Acquisition Loan Fund announced by the Mayor and administered by the Enterprise Community Partners. Finally, UCDC has applied to the City of Atlanta for a HOME grant to be use for vacant housing acquisitions and rehabilitation. If approved these funds could be used to enhance this project as well.

Thank you for allowing us to submit this Letter of Intent.

Respectfully,



Pete Hayley  
Executive Director