

PRINCE GEORGE'S COUNTY, MARYLAND
NEIGHBORHOOD STABILIZATION PROGRAM ROUND 3 (NSP3)

Substantial Amendment to the FY 2011 Annual Action Plan

The Suitland Neighborhood Stabilization Initiative



Our vision is to use NSP3 funds in a targeted approach to enhance long term homeownership and neighborhood sustainability by leveraging ongoing revitalization investments in the Suitland Community, capitalizing on opportunities for transit oriented development, and building on the major employment asset of the Suitland Federal Center.



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PRINCE GEORGE'S COUNTY, MARYLAND

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Prince George’s County, Maryland
Neighborhood Stabilization Program Round 3 (NSP3)
Substantial Amendment to the FY 2011 Annual Action Plan

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A. INTRODUCTION

The Neighborhood Stabilization Program is a federally funded initiative to stabilize communities hard hit by foreclosures by providing funding to acquire, rehabilitate and redevelop foreclosed and abandoned properties by income eligible residents. *NSP funds cannot be used to prevent foreclosures.*

There have been three rounds of NSP funding.

- The Housing and Economic Recovery Act of 2008 (HERA) provided the first round of NSP funding, referred to as NSP1, allocated to States and units of local government on a formula basis. Prince George's County received \$10,883,234 of NSP1 funding from HUD and an additional award of \$2,400,000 from the State of Maryland.

Prince George's County received approval from HUD and the State to use NSP1 funding to provide down payment and closing costs assistance to eligible homebuyers to purchase foreclosures and to acquire and rehabilitate foreclosed properties in 33 target zip codes. To date, over 600 homebuyers have utilized the program to purchase eligible properties, through the Down Payment on Your Dream Program. The Redevelopment Authority has acquired 23 properties, completely renovated 17, and resold 11 to qualified buyers. All of the NSP1 funds have been obligated, 90% of the funds have been expended and drawn down from HUD and the State.

- The American Recovery and Reinvestment Act of 2009 (ARRA) provided the second round of NSP funding, referred to as NSP2, awarded by a competition. Prince George's County applied for NSP2 funds in a Washington Region Consortium including Fairfax County, Arlington County, Prince William County, the City of Alexandria, the City of Bowie, and the City of Gaithersburg. The Washington Region NSP2 Application was not selected for funding.
- The Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), provides the third round of NSP funding, referred to as NSP3, allocated to States and units of local government on a formula basis. Prince George's County has received an allocation of \$1,802,242 NSP3 funding from HUD and must submit a competitive application to the State for additional State NSP3 funds.

The NSP3 Substantial Amendment to the FY 2011 Annual Action Plan

All State and local units of government receiving an NSP3 allocation must submit a Substantial Amendment to their approved Annual Action Plan describing their NSP3 program. The County's Annual Action Plan describes the uses and programs of all federally funded housing and community development programs.

B. REQUIREMENTS OF THE NSP3 PROGRAM

The NSP3 federal allocation of \$1,802,242 represents 17% of the NSP1 \$10,883,234 allocation. Unlike NSP1, HUD has provided strict guidance against “spreading the funds out” and has incorporated application requirements for targeting and leveraging NSP3 funding in a manner that will ensure meaningful neighborhood impact and leverage other revitalization efforts, transportation access, and major employment. We have determined that NSP3 funds should be limited to the Suitland area for the reasons that are described below.

1. GREATEST NEED SCORE

Funds must be targeted to areas determined by HUD to have the Greatest Needs.

HUD has identified census tracts including block groups which are eligible for NSP3 funding and has developed a rating system which provides a needs score ranging from 1-20, with 20 representing the greatest need. Grantee may target a census tract with a needs score which is the lesser of 17 or the twentieth percentile most needed score in the State. *In Maryland that score is 14, therefore census tracts including block groups with needs Scores from 14 – 20 are eligible for selection.* Due to the foreclosure crisis in Prince George’s County, **there are 368 eligible areas with a need score of 14 and above.**

2. ABILITY TO IMPACT A MINIMUM OF 20% OF THE PROJECTED FORECLOSURES IN THE TARGETED AREA SELECTED

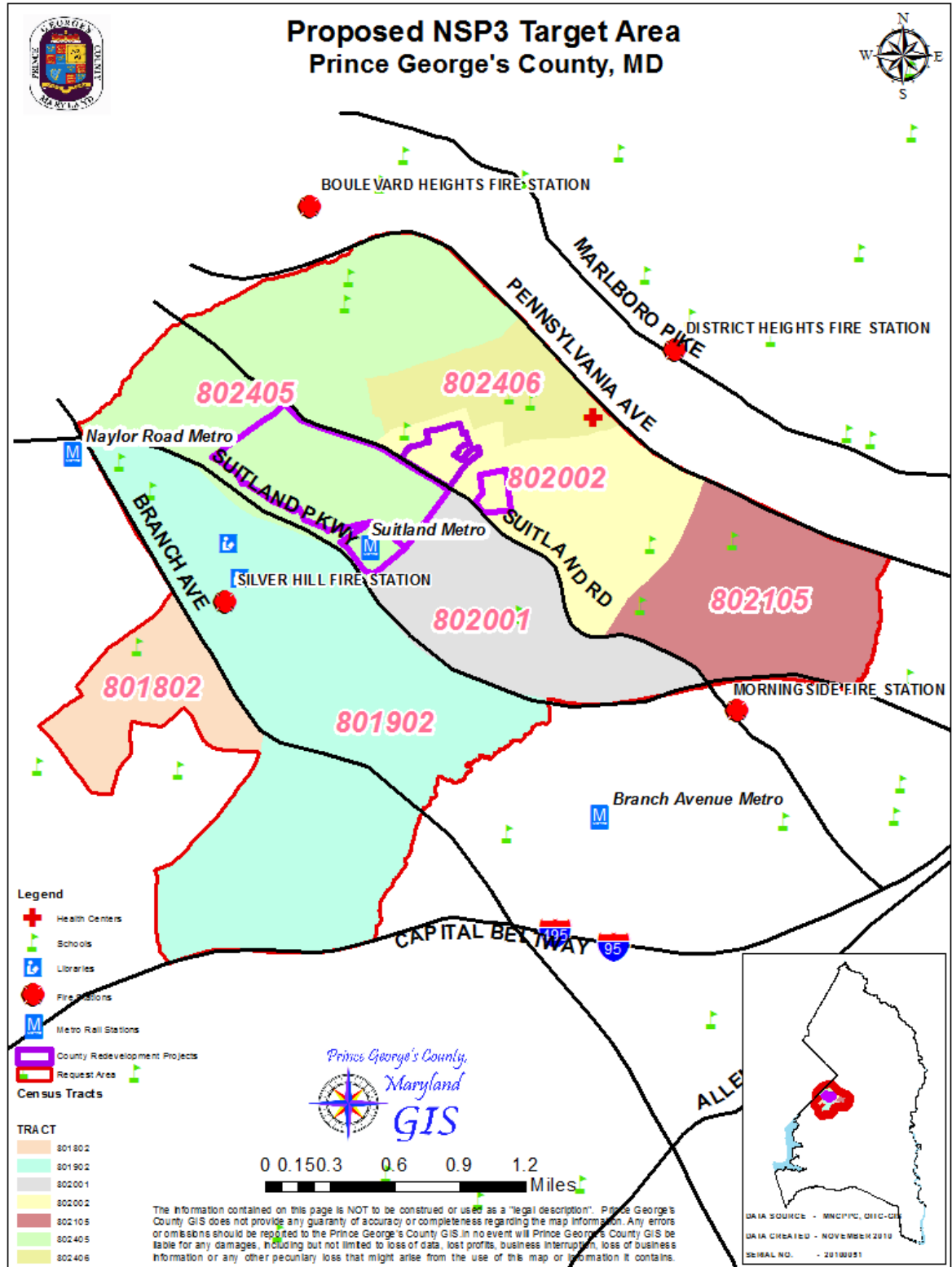
In addition to having a Needs Score of 14-20, NSP3 funding must be able to have a meaningful impact on at least 20% of the projected foreclosures in the targeted area. As a result, grantee cannot select an area that is too large or focus on all census tracts with eligible need scores.

Due to the foreclosure crisis in Prince George’s County, there are a large number of NSP3 eligible census tracts or block groups (see NSP3 Eligible Tracts in Prince George’s County). Based on HUD’s NSP3 planning data, *if we focused NSP3 funding on all eligible tracts (those with a Need Score of 14 and above), we would have to impact 20% of the projected foreclosures or 2020 housing units, which would be unrealistic and an approach not acceptable to HUD. As a result, NSP3 funding must be strategically focused and leveraged.*

3. TARGET AREA MUST HAVE TRANSPORTATION LINKAGES, MAJOR EMPLOYMENT AND LEVERAGING OF OTHER REVITALIZATION INVESTMENT

In addition to needs scores and minimum impact requirements, HUD requires selecting target areas with major transportation access, linkages to employment and leveraging of other public and private sector investment and initiatives to facilitate comprehensive area revitalization and long term neighborhood stabilization.

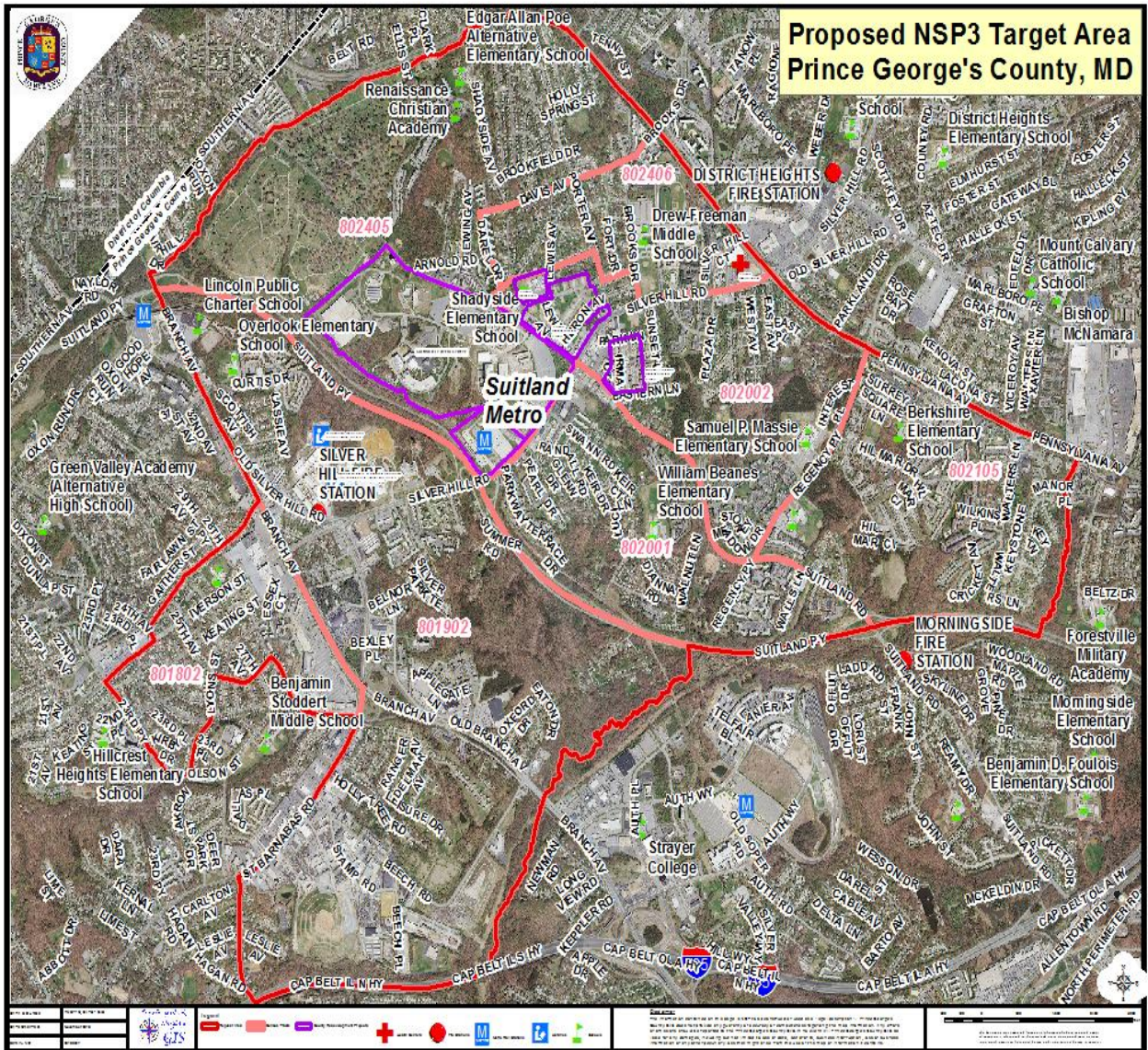
Figure 1: AREA OF GREATEST NEED



C. PRINCE GEORGE'S COUNTY PROPOSED NSP3 TARGET AREA

In light of the NSP3 targeting requirements seven (7) census tracts in the Suitland community are proposed as the target area for the County's NSP3 target area - The Suitland NSP3 Initiative. These tracts are: 8018.02; 8019.02; 8020.01; 8020.02; 8021.05; 8024.05; 8024.06.

Figure 2: Aerial of Suitland NSP3 Census Tracts



D. JUSTIFICATION FOR SELECTION OF THE SUITLAND TARGET AREA

Table 1 below provides key data indicators for the selected Suitland NSP3 census tracts. Data source is HUD generated NSP3 data sets, and ESRI data. Detailed NSP3 Planning Data for each selected census tract is provided as an Appendix to the NSP3 Substantial Amendment.

1. GREATEST NEED SCORES

HUD developed need scores for the seven census tracts designated for the Suitland Neighborhood Stabilization Initiative that range from 15-17 on a scale of 1-20, exceeding the minimum State threshold requirement of 14.

2. ABILITY TO IMPACT AT LEAST 20% OF THE ESTIMATED NUMBER OF FORECLOSURES

HUD encourages grantees to have a small enough target area for NSP3 activities in order for the funding to have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosures during the past two years. NSP 1, 2, and 3 funding combined is estimated to impact only 100,000 to 120,000 foreclosures. To ensure that grantees will focus NSP3 funding, HUD requires that grantees be able to impact at least 20% of the estimated foreclosures during the past year. The 20% impact number for the Suitland NSP3 target census tract is 112 units, a number that can be realistically achieved in the 3 year grant timeline.

Table 1: Suitland NSP3 Initiative Census Tracts Key Indicators- HUD NSP3 Data Sets

Census Tracts	Estimated Number of Foreclosure Starts in Past Year	Need Score	20% impact Requirement	% of Housing Units with a High Cost Mortgage between (2004-2007)	% Housing Units REO Owned	% of homeownership	% of Housing units 90 or more days vacant
801802	93	16	19	44.1	20	59%	3.3%
801902	98	15	19	40.2	23	35%	.9%
802001	59	15	12	37.5	13	29%	1%
802002	105	16	21	38.1	24	63%	1.1%
802105	115	17	24	40.5	24	22%	.3%
802405	60	17	12	42.1	13	38%	.9%
802406	26	17	5	41.8	6	29%	.4%
TOTAL	556		112		124		

Source: HUD User/ NSP3 Data Sets: ESRI

3. TRANSPORTATION LINKAGE

Target area anchored by the Suitland Metrorail subway station linking the area to the Washington Metropolitan region.

4. MAJOR EMPLOYMENT CENTER

The 226-acre Suitland Federal Center anchors the proposed NSP3 target area and includes the U.S. Census Bureau and the National Oceanic and Atmospheric Administration, satellite operations center. Over 7,000 employees work at the Suitland Federal Center.

5. MAJOR ONGOING REVITALIZATION INITIATIVE AND COUNTY INVESTMENT

Suitland Manor Redevelopment Project

The target area is also anchored by the 22-acre Suitland Manor Redevelopment Project. To date Prince George’s County has invested over \$45 million to acquisition, demolition, and relocation. The existing investment is likely to attract additional private financing estimated at \$30 million to complete the project. The site is located in the northwest quadrant of the intersection of Suitland Road and Silver Hill Road across from the Suitland Federal Center. A joint venture developer is currently being sought for the site. The vision is to create mixed-use transit oriented development that provides a range of housing for the local workforce, recreational opportunities, Class A retail, and commercial uses to support and link the Suitland Federal Center with the Community.

When complete, the project will stabilize and ultimately increase local housing values, attract residents and retailers, and enhance the local tax base.

E. THE SUITLAND MANOR REDEVELOPMENT PROJECT VISION

Housing Typologies



Duplex

Townhouses

Mid-density condos

Higher density, mixed use

**PRINCE GEORGE'S COUNTY REDEVELOPMENT AUTHORITY - DHCD
SUITLAND MANOR REDEVELOPMENT PROPOSALS**

COUNTY INVESTMENT: \$45 million for site acquisition, demolition and relocation

SUITLAND MANOR REDEVELOPMENT PROJECT GOALS

- **New residents of all ages**
- **Variety of services and retail mixed with housing**
- **Inviting to all income groups**
- **Increase in home-ownership opportunities**
- **Compatible with existing neighborhood**
- **Convenient for Federal Center employees**
- **Quality architecture & building material**
- **Adequate parking**
- **Open space and public parks**
- **Maximize availability of Metro Station**

F. MARKET CONDITIONS IN PRINCE GEORGE’S COUNTY AND THE SUITLAND NSP3 TARGET AREA

Prince George’s County has been hard-hit by the foreclosure crisis. According to the Maryland Department of Housing and Community Development’s Report of Property Foreclosure Events in Maryland Third Quarter 2010, with 4,115 foreclosure filings, the County continued to have approximately 30% of foreclosure activity statewide. Foreclosure activity is defined as Notices of Default, Notices of Sales, and Lender Purchases (REO). In the seven Suitland NSP3 Census Tracts, there were an estimated 556 foreclosure starts during the past year, and 124 REOs or bank owned properties between July 2009 to June 2010. The percent of housing units in the target area with high cost mortgages obtained between 2004 and 2007, which is a predictor of future foreclosures, range from 37.5 % to 44.1 %.

The foreclosure crisis has had a significantly negative impact on neighborhoods in Prince George’s County, as median home values have declined on the average of 40% over the last four years. According to the Maryland Association of Realtors Housing Statistics, between November 2006 and November 2010, the average sale price of residential units, including single family, detached, condos, and cooperatives declined from \$344,956 to \$197,880, representing a 42.6 % decline in values.

In the Suitland 20746 Suitland Zip Code, the average sale value declined by 51.19% between November 2006 and November 2010.

Table II: Residential Sales in 20746 Suitland Zip Code

YEAR	2006	2010
Total Units Sold	143	99
% Change in units sold		-30.77%
Average Sold Price	\$299,875	\$146,360
% Change Avg. Sold Price		-51.19%
Median Sold Price	\$300,000	\$143,000
% Change Median Sold Price		-52.33%

1. VACANCY RATE IN THE SUITLAND NSP3 CENSUS TRACTS

The vacancy rate, defined by the HUD NSP3 planning data, as the number of residential addresses vacant 90 or more days, is low for the targeted tracts, with the highest rate of 3.3% for census tract 801802.

2. RENTAL VS. HOMEOWNERSHIP CHARACTERISTICS

There are a significant percentage of rentals in the Suitland NSP3 census tracts. Ranging from 78% in tract 802105 to 37% in 802002. Tract numbers 802002 and 801802 have the highest percentage of homeownership at 63% and 59% respectively.

3. SALE TRENDS

According to the Metropolitan Regional Information Systems (MRIS), year-end data for the number of residential units sold in Prince George's County indicate a significant decline of 46%, from 2006 to 2009.

Table III: Prince George's County Year End Total Number of Units Sold

YEAR	2006	2007	2008	2009
Total Units Sold	13,116	7,568	4,916	7,028
% Change in Units sold		-42.29%	-35%	43%

However, a significant and promising indicator for the Prince George's County market is the rise in the number of units sold from 4,916 to 7,028 between 2008 and 2009 or a 43% increase. We are still awaiting year end data for 2010 to see if the increasing trend in sales holds. Also encouraging, is the units sold trends for the Suitland 20746 Zip code. When we do a comparison for residential sales in November for years 2006 to 2010, residential units sold increased by 71.74% between 2008 and 2009, and are up by 25.32% as of November 2010.

Table IV: Total Units Sold 20746 Suitland Zip Code

YEAR	2006	2007	2008	2009	2010
Total Units Sold	143	79	46	79	99
% Change in Units Sold		-44.76%	-41.77%	71.74%	25.32%

G. SUITLAND NSP3 ACTIVITIES

In light of the significant drop in residential property values, promising signs of increase in sales, low vacancy rates, relatively high percentage of existing rentals, and significant redevelopment initiatives, with the potential of increasing home values, NSP3 activities designed to promote homeownership are proposed for the Suitland NSP3 census tracts include:

- A buyer driven homeownership assistance strategy modeled after the NSP1 Down Payment on Your Dream Program; and
- An acquisition, Green Rehabilitation, and resale to eligible low income buyers

1. Activity 1: Buyer driven homeownership assistance strategy involving soft-second loans for acquisition of eligible properties in the target census tracts.

Leverage county investment in the Suitland Manor Redevelopment Project and capitalize on the existence of the Suitland Federal Center employment center.

NSP3 funding will be used to provide homeownership assistance through mortgage principal reduction, down payment and/or closing costs for income eligible first time homebuyers to purchase foreclosures or short sales in the targeted census tracts. Approved buyers will receive a 0% interest deferred payment loan, for up to 5% of the purchase price. All buyers will have to make a minimum contribution of 1.75% of the purchase price.

In addition, to encourage workforce housing and certain professions to purchase homes in the target area, the amount of funding provided will be increased for the following beneficiaries:

- Income eligible police officers, firefighters, emergency medical technicians, and teachers – up to 7% of the purchase price, as needed.
- Income eligible Suitland Federal Center employees – up to 7% of the purchase price, as needed.

DHCD shall have the discretion to adjust assistance, as needed to facilitate housing affordability for households with income at or below 50% of the area median.

Performance Measures

GOALS	OUTPUTS/MEASURES	OUTCOMES
Increase homeownership	At least 112 housing units At least 112 first time homebuyers	Increased homeownership level Increased median market values
Leverage opportunity for	Provide gap financing for	Facilitate private sector investment of over \$11.2 million in target area

private lending	at least 112 first mortgages	(assuming an investment of at least \$100k per housing unit)
Attract new residents to the Suitland area	Occupy 112 vacant units	Lower vacancy rate Improve property maintenance

Partners: Omega Gold Development Group, Inc. (housing counseling)
 Participating Lenders
 Realtors
 United Communities Against Poverty, Inc. (housing counseling)

NSP1 AND HOMEOWNERSHIP ACTIVITY

Declining property values, the job market in the Washington region, and strategic partnership with lenders who provided credit to NSP1 buyers, resulted in a successful buyer driven homeownership activity for the NSP1 funding. Despite tightening credit standards, Over 600 buyers received NSP1 assistance to purchase eligible properties, under the Down Payment on Your Dream Program. Prince George’s intends to replicate the NSP1 homeownership model for the Suitland NSP3 Initiative including:

- Strategic partnerships with mortgage lenders to provide first mortgage loan products.
- Working partnership with the Prince George’s County Association of Realtors to market the buyer-driven homebuyer assistance program.
- Working partnership with the Omega Gold Development Group and UCAP to conduct homeownership workshops at the Suitland Federal Center.
- Working partnership with Omega Gold Development Group and UCAP to conduct ongoing NSP required first time homeownership counseling.
- Ongoing first time home buyer workshops to rental communities and civic associations in the proposed NCI target.
- Bus shelter posters.
- Brochure distribution at target area public schools and churches.
- Monthly training sessions for lenders and realtors on the homebuyer assistance guidelines.

2. Activity 2: Green Suitland - Acquisition, Green Rehabilitation, and Resale Activity

Undertake moderate to substantial green rehabilitation of homes in Census tracts 801802, 801902, 802001, 802002, 802105, 802405, and 802406.

This activity will be targeted to first-time home buyers with income at or below 50% of the area median, and will fulfill the 25% NSP set aside requirement for low income buyers. Activity will be modeled after the NSP1 Acquisition and Rehabilitation activity currently undertaken by the Redevelopment Authority.

Under the NSP1 program the Redevelopment Authority has purchased 23 properties through the National Community Stabilization Trust First Look Program. As of December 2010, thirteen of these properties have been completely rehabilitated, and ten sold to qualified first time home buyers.

A revolving fund will be created to purchase and rehabilitate additional homes with program income. Rehabilitation standards will be Enterprise Green Communities Green Single Family Rehabilitation Standards at www.greencommunities.online.org.

Performance Measures

GOALS	OUTPUT/MEASURES	OUTCOMES
Create Homeownership Opportunities	At least 10 homes acquired and substantially rehabilitated (assumes purchase and rehabilitate 5 homes initially, and recycle funds at least once)	Increased homeownership level Decrease vacancy level
Update Housing Stock	Substantially rehabilitate at least 10 units. Install energy efficient green standards	Increased market value Increased assessment
Build development of non-profit housing development partner	At least 8 homes acquired and substantially rehabilitated	Increased development capacity through number of homes rehabilitated

A soft second- mortgage, if needed, will be placed on these homes to ensure affordability with low income buyers with households at or below 50% of the area median.

H. SECTION 3 AND VICINITY HIRING

To the greatest extent possible grantee will require contractors performing work on the Suitland Green activity to recruit from the local area. Good faith efforts will include advertising availability of contracting and employment opportunities at local civic association, churches, etc., Conducting rebid conference in local area, and holding a job fair for contractors to recruit workforce.

Partners: Redevelopment Authority of Prince George’s County
 United Communities Against Poverty, Inc.
 Housing Initiative Partnerships, Inc. (HIP)

I. SUITLAND NSP3 BUDGET AND FUNDS LEVERAGE

ACTIVITY	PROPOSED NSP 3 BUDGET	PERCENT	TARGETED INCOME	LEVERAGE	TOTAL
Homeownership Assistance	\$1,000,000	55%	LMMH	\$100,000 (HOME) \$11,100,000 (private mortgage capital – assuming minimum of \$100k for each first mortgage)	\$12,200,000
Green Suitland - Acquisition & Rehabilitation, Resale	\$622,242	35%	LH-25	\$500,000 (HOME) \$500,000 (NSP 1 Program Income)	\$1,622,242
Planning and Administration	\$180,000	10%			\$180,000
TOTAL	\$1,802,242	100%		\$12,200,000	\$14,002,242*
Low-Income Housing Requirement: Total budgeted to purchase and redevelop abandoned or foreclosed homes or residential properties for households with income at or below 50% of the area median income.	\$622,242	35%	LH-25		

***This amount does not include the \$45 million already invested by the County to acquire, demolish, and conduct relocation on the 22 acre Suitland Manor Redevelopment site.**

J. NSP3 DRGR SUBMISSION TEMPLATE

NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Clemens, Rosalyn B.
Email Address	rbclemens@co.pg.md.us
Phone Number	301-883-3288
Mailing Address	Prince George's County Department of Housing and Community Development, Neighborhood Stabilization Program 9201 Basil Court, Suite 155 Largo, MD 20774

1. Areas of Greatest Need

Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included on page 6 and 7. HUD generated NSP3 Planning Data Sets are included as Attachment 1.

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.
Response: HUD NSP Data – www.huduser.org/Datasets/nsp.html ESRI – www.esri.com/data/esri.data/ MRIS, RealEstate Business Intelligence, LLC.

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.
Response: <ol style="list-style-type: none">1. Areas of greatest need were established based on needs scores generated by HUD NSP3 Planning Data Report. State of Maryland minimum threshold of a 14 need score was used to qualify all census tracts.2. In addition to need score, grantee used a combination of factors consistent with NSP3 program guiding principles was used to select the Suitland NSP3 target area including transportation linkages, major employment, ongoing revitalization initiatives, and other public and private investment. (See detail narrative on pages 8-9.)

2. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	<p><i>The Property Standards Group of the Prince George’s Department of Environmental Resources enforces the County housing codes by using the “International Property Maintenance Code 2000 (“The Code”), Section 108 of the Code defines blighted structures as “open unfit, unsafe, unlawful or abandoned structures”.</i></p> <p><i>Please note that no demolition of blighted structures are proposed for the Suitland NSP3 Initiative</i></p>
Affordable Rents	<p><i>Please note that rental activities are not being proposed for the Suitland NSP3 Initiative. This preference is based on the relatively large amount of rentals in the NSP3 targeted census tracts (See Table I).</i></p> <p>Should the NSP3 Substantial Amendment be amended to include rental in the future, affordable rents will mirror the HOME Investment Partnerships Program rent limits, which NSP3 allows as a safe harbor. The HOME Final Rule at 24 CFR Part 92. 252 provides the following maximum rent limits as the lesser of:</p> <ol style="list-style-type: none"> 1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or 2. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.

Term	Definition								
Long-Term Affordability	<p>Affordability means that the NSP3 assisted homebuyer whose household income qualifies for the program, must maintain the housing as the principle residence of the family throughout a minimum defined affordability period, agreed to by the buyer at the time the NSP3 assistance is provided. The minimum Long-term affordability for NSP3 units for the Suitland NSP3 Initiative will mirror HOME Investment Partnerships Program periods of affordability defined in the table below. NSP 3 allows the use of HOME affordability standards as a safe harbor.</p> <p>To ensure that these affordability periods will be met, the grantee will impose a <i>recapture provision on the assistance</i>, allowing Prince George’s County to recoup the NSP3 assistance provided to the homebuyer, if the housing does not continue to be the primary residence of the family for the duration of the affordability period. The amount recouped or “recaptured” will be on a sliding scale the longer the homebuyer remains in the property.</p> <p>Recapture provisions will be included in a Regulatory Agreement and Deed of Trust, recorded against the property in the land records of Prince George’s County.</p> <p>Annual servicing of the NSP loan portfolio includes verification of borrower’s primary residency status through tax records, driver’s license, and selected site visits. Failure to maintain primary residency throughout affordability period is a default condition of the NSP loan.</p> <p>Affordability Requirements</p> <table border="1" data-bbox="516 1157 1365 1367"> <thead> <tr> <th data-bbox="516 1157 850 1234">NSP3 Investment Amount Per unit</th> <th data-bbox="850 1157 1365 1234">Minimum period of affordability in Years</th> </tr> </thead> <tbody> <tr> <td data-bbox="516 1234 850 1276">Under \$15,000</td> <td data-bbox="850 1234 1365 1276">5</td> </tr> <tr> <td data-bbox="516 1276 850 1318">\$15,000 - \$40,000</td> <td data-bbox="850 1276 1365 1318">10</td> </tr> <tr> <td data-bbox="516 1318 850 1367">Over \$40,000</td> <td data-bbox="850 1318 1365 1367">15</td> </tr> </tbody> </table>	NSP3 Investment Amount Per unit	Minimum period of affordability in Years	Under \$15,000	5	\$15,000 - \$40,000	10	Over \$40,000	15
NSP3 Investment Amount Per unit	Minimum period of affordability in Years								
Under \$15,000	5								
\$15,000 - \$40,000	10								
Over \$40,000	15								
Housing Rehabilitation Standards	<p>The Suitland NSP3 Acquisition and Rehabilitation Activity – “Green Suitland Initiative” will use the Enterprise Green Communities Green Single Family Rehabilitation Standards at www.greencommunitiesonline.org.</p>								

3. Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

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

Response:

Total low-income set-aside **percentage** (must be no less than 25 percent): 34%

Total funds set aside for low-income individuals = \$622,242

Meeting Low-Income Target

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

Response:

The NSP3 “Green Suitland” Acquisition and Rehabilitation Activity will be targeted to low-income buyers only. Homes acquired and rehabbed will be sold to LH-25 buyers. 0% interest, deferred payment, soft second mortgages will be placed on these properties to allow low income buyers to afford to purchase them. Affordability periods and recapture provisions will mirror HOME standards, depending on the amount of the soft second mortgage.

4. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	NO
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If yes, fill in the table below.

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

5. Public Comment

Citizen Participation Plan

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

Response:

Publication of the NSP3 Substantial Amendment on the Prince George’s Department of Housing and Community Development web site.

Announcement of the availability of the NSP3 Substantial Amendment in Prince George’s County publications of record including The Prince George’s Post, The Sentinel and the Inquirer Gazette.

Review of the NSP3 Substantial Amendment with non-profit and civic organizations in targeted area.

Availability for Review at main public libraries.

Summary of Public Comments Received.

The summary of public comments received will be included as an attachment following the required 15-day public comment period.

6. NSP Information by Activity

Activity Number 1	
Activity Name	Homeownership Assistance – Buyer Driven
Uses	Select all that apply: <input checked="" type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	Direct homeownership assistance for acquisition of eligible properties. 24 CFR 570.206.
National Objective	Low Moderate Middle Income Housing (LMMH)
Activity Description	This activity will provide soft-second mortgages for eligible first time home buyers to acquire foreclosures or short sale properties in the target area. Loans will be used for mortgage principle reduction to reduce debt burden, down payment, and/or closing costs. Maximum assistance will be 5% of the purchase price. Each borrower will be required to have a minimum cash contribution of 1.75% of the sales price of the home and the buyer must have a maximum back-end debt to income ratio of 43%.
Location Description	This activity will be conducted in the Suitland NSP3 target area including the

	following seven census tracts in Prince George's County: 801802, 801902, 802001, 802002, 802105, 802405, and 802406.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$1,000,000
	HOME (MY HOME Program)	\$100,000
	(Other funding source)	\$
Total Budget for Activity		\$1,100,000
Performance Measures	112 housing units acquired by providing homeowner assistance (see narrative on page)	
Projected Start Date	July 1, 2011	
Projected End Date	June 30, 2014	
Responsible Organization	Name	Prince George's County Department of Housing and Community Development
	Location	9400 Peppercorn Place, Suite 155 Largo, MD 20774
	Administrator Contact Info	301.883.3288 rbclemens@co.pg.md.us

Activity Number 2		
Activity Name	Acquisition, rehabilitation and resale of eligible properties -Green Suitland	
Use	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input type="checkbox"/>	Eligible Use D: Demolition
<input type="checkbox"/>	Eligible Use E: Redevelopment	
CDBG Activity or Activities	Acquisition and direct homebuyer assistance.	
National Objective	Low income housing to be 25% set aside (LH-25)	
Activity Description	Green Suitland Project - Grantee-driven acquisition, green rehabilitation and resale of eligible residential properties to low income first time homebuyers. Rehabilitation standards	
Location Description	This activity will be conducted in the following seven census tracts in Prince George's County: 801802: 801902, 802001, 802002, 802105, 802405, and 802406.	
Budget	Source of Funding	Dollar Amount
	NSP3	\$622,242
	HOME	\$500,000
	NSP1 Program Income	\$500,000
Total Budget for Activity		\$1,622,242
Performance Measures	Minimum of 10 homes. Program income will be "recycled" to purchase additional homes when 10 initial homes are sold to eligible LH-25 buyers.	
Projected Start Date	July 1, 2011	
Projected End Date	June 30, 2014	
Responsible	Name	Redevelopment Authority of Prince

Organization		George's County
	Location	9201 Basil Court, Suite 155 Largo, MD 20774
	Administrator Contact Info	Rosalyn B. Clemens, 301.883.3288 rbcclemens@co.pg.md.us

Activity Number 3		
Activity Name	Planning and Administration	
Use	Select all that apply: (Planning and Administration for all activities)	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input type="checkbox"/>	Eligible Use D: Demolition
<input type="checkbox"/>	Eligible Use E: Redevelopment	
CDBG Activity or Activities	N/A	
National Objective	N/A	
Activity Description	Planning and administration	
Location Description	N/A	
Budget	Source of Funding	Dollar Amount
	NSP3	\$180,000
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$180,000	
Performance Measures	N/A	
Projected Start Date	July 1, 2011	
Projected End Date	June 30, 2014	
Responsible Organization	Name	Prince George's Department of Housing and Community Development
	Location	9400 Peppercorn Place, Suite 200 Largo, MD 20774
	Administrator Contact Info	301.883.3288 rbcclemens@co.pg.md.us

7. Certifications

Certifications for State and Entitlement Communities

(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choices 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-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.

(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that 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.

(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.

(6) **Acquisition and relocation.** The jurisdiction certifies that it 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.

(7) **Section 3.** The jurisdiction certifies that it 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.

(8) **Citizen participation.** The jurisdiction certifies that it 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.

(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]

(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

(11) **The jurisdiction certifies:**

- a. 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; and
- b. 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:
- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
 - b. 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 nonviolent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that 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 jurisdiction certifies that its 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 laws.** The jurisdiction certifies that it will comply with applicable laws.

(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

Signature/Authorized Official

Date

Title

K. ATTACHMENTS

1. NSP3 Planning Data – Sets

- a. Neighborhood ID – 8027130 – Census Tract: 801802
- b. Neighborhood ID – 7820861 – Census Tract: 801902
- c. Neighborhood ID – 6637634 - Census Tract: 802001
- d. Neighborhood ID – 3249725 – Census Tract: 802002
- e. Neighborhood ID - 8188903 - Census Tract: 802105
- f. Neighborhood ID – 6738159 – Census Tract: 802405
- g. Neighborhood ID – 5442047 – Census Tract: 802406

(Please request attachments at rbclemens@co.pg.md.us)



Prince George's County affirmatively promotes equal opportunity and does not discriminate on the basis of race, color, gender, religion, ethnic or national origin, disability, or familial status in admission or access to benefits in programs or activities.