Neighborhood Stabilization Program – Substantial Amendment

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

Response – The Sacramento Housing and Redevelopment Agency (SHRA) administers the County of Sacramento's (County) Community Development Block Grant (CDBG) program. As the administrative agency SHRA will also oversee the Neighborhood Stabilization Program (NSP), which is being dispersed to local governments through the CDBG program.

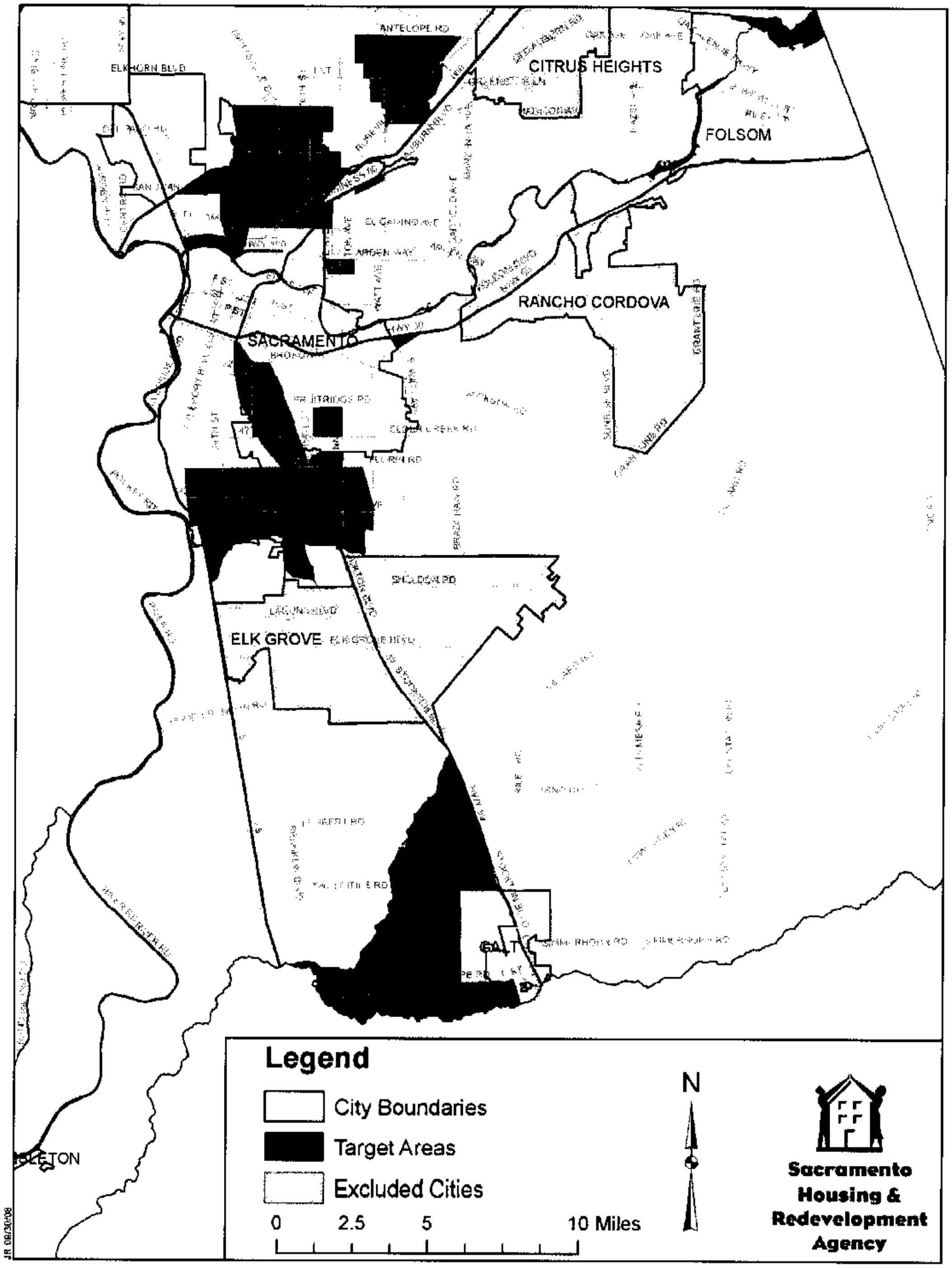
SHRA established the NSP target areas by primarily using data on actual foreclosure rates per census tract from January 2007 through June 2008 (Source: Dataquick Information Systems), as well as actual high cost loans in 2006 (Source: HMDA). Target areas selected were those census tracts that were in the top quartile in the County on both variables. HUD, on the other hand, predicted local and neighborhood foreclosure rates based on three related variables: decline in home values, high cost loans, and unemployment rates.

HUD's methodology is an attempt to predict foreclosure rates without having access to data on actual foreclosures, the target areas that would have been suggested by use of HUD's methodology are slightly different than the target areas SHRA actually chose. If SHRA had used HUD's data on foreclosure rates and high cost loans to select target areas, six of SHRA's 53 selected census tracts would not have been selected, and 15 census tracts that were not selected would have been selected. Thus, SHRA's target areas do not exactly match what HUD's data would suggest. However, because SHRA's target areas were selected using data on actual foreclosure rates, rather than a prediction of foreclosure rates based on other variables, SHRA has concluded that the target areas selected are in fact those areas in which the need is greatest.

In addition to the areas chosen under the criteria listed above, the area around Lerwick Road in unincorporated Sacramento County will be targeted. While the data for the entire census tract in which this area falls does not qualify it for targeting under the criteria, the smaller area surrounding Lerwick Road has a high concentration of fourplex units with a very high foreclosure rate and a large number of low-income residents. The area has a history of problems, and the County has committed to revitalizing it. These funds would help to deal with the repercussions of foreclosures in the area as well as leverage other funds that will continue the revitalization process.

The targeted census tracts are illustrated on the following page as the "Selected Target Areas" within the City and County of Sacramento eligible to receive NSP funding assistance.

Selected Target Areas



Distribution and Uses of Funds

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures.

Response - The unincorporated County's grant (which can also be used in Galt and Folsom) is $18,605,460. The County is receiving the fourth largest allocation statewide, behind Riverside, Los Angeles and San Bernardino Counties. SHRA anticipates producing 234 units in the County's targeted areas between January 2009 and the end of program year 2013 for low-, moderate-, and middle-income households.

Pursuant to the regulatory requirements, NSP funds are specifically focused on recovery and redevelopment of vacant, abandoned foreclosed homes. However, NSP regulations allow flexibility with use of the funds for rehabilitation, redevelopment, demolition, re-construction and land banking of vacant, foreclosed properties. Accordingly, the County intends to allocate NSP funding to complement larger redevelopment efforts and to make a significant impact on distressed areas that have been targeted using the before mentioned criteria.

The County has adopted the standard acquisition discount rates under the NSP regulations, wherein the price for individual land or property must be at a discount (at least five percent) below the appraised value and the portfolio of all land and property purchased must be at a discount (at least 15 percent) below appraised value. The County will also work with HUD and the National Community Trust to determine if a standard methodology can be adopted allowing the County to transition to a portfolio discount rate of 10 percent (the lack of a standard methodology to derive a 10 percent portfolio discount is why the County has adopted the 15 percent portfolio discount rate). Furthermore, while all funding must be used for programs that house families at or below 120 percent of area median income (AMI), SHRA will ensure that at least 25 percent of the funding will be used for families at or below 50 percent of AMI.

The County's neighborhoods have experienced many of the negative impacts of foreclosures: increased crimes due to abandoned and vacant properties, blighting influences as properties begin to deteriorate, and increased stresses on families and children.[1] When SHRA compared the combined city and county target areas with the areas that were not included, we found the following neighborhood characteristics and indicators of greater distress.

- Investor activity is greater in the selected areas than in other areas of the County. While the percentage of homes purchased by investors countywide from August 2007 through July 2008 was 16 percent, the percentage of homes purchased by investors in the target areas was 28.5 percent over the same period.
- Declines in home prices have been steeper in the selected areas. From August 2007 to July 2008, home prices declined 28 percent on average throughout the

[1] "Seven Ways Foreclosures Impact Communities", NeighborWorks America, August 2008

County. In the target areas, however, the average price decline has been almost 43 percent over the same period.

The selected areas include the traditionally lower-income areas of the County. According to the 2000 Census, over 58 percent of the households in these areas had incomes below 80 percent, and only 53 percent of households owned their homes.

NSP funding, however, presents an opportunity to return stability to some of Sacramento's hardest hit neighborhoods. The County's local strategy responds to HUD's challenge to "carry out its NSP activities in the context of a comprehensive plan for the community's vision of how it can make its neighborhoods not only more stable, but also more sustainable, competitive, and integrated into the overall metropolitan fabric, including access to transit, affordable housing." While SHRA is proposing several programs as described below, all share similar goals, strategic elements and challenges.

Sacramento's programs strive to achieve three goals:

- Return vacant foreclosed or abandoned residential properties to occupancy as quickly as possible;
- Revitalize neighborhoods through strategic redevelopment, rehabilitation and reuse of vacant properties; and
- Provide affordable homeownership and improved affordable rental opportunities to Sacramento families.

Activities
Sacramento intends to undertake three distinct programs which can be implemented using varying structures:

Activity Name:	Vacant Properties Program (VPP)
Description:	Modeled after the successful 'Boarded and Vacant' and the "Vacant Lot' programs, the Vacant Properties Program (VPP) is designed to return vacant and blighted homes and properties to owner occupancy. Partnering with local contractors and developers in targeted areas the VPP provides a developer/contractor an incentive fee to be paid after homes are rehabilitated or constructed and/or sold to owner-occupants. In limited situations, demolition and reconstruction will be the preferred option. Participation can occur by the developer/contractor purchasing approved homes on a scattered site basis or participation can occur under the Property Recycling Entity (PRE) activities. SHRA will approve all properties participating in the program to ensure eligibility.
Eligibility:	§2301(c)(3)(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.
National Objective:	Low-, Moderate-, Median-income Housing (LMMH). Targeted areas are predominately in lower-income neighborhoods; accordingly, it is anticipated that prices will be affordable to families at 80 percent of median income.
Budget:	$3,721,092

Activity Name:	Block Acquisition/Rehabilitation (BAR)
Description:	Building off the success of past and current efforts at Fruitridge Vista and Lerwick Road in the County, SHRA is crafting a Block Acquisition/Rehabiltation (BAR) Program to help address some of the blighted conditions in specific targeted areas. SHRA will seek partnerships with private developers willing to acquire, rehabilitate (or demolish and rebuild) and maintain as common rental property, units in designated areas. These areas share many common traits, including: poorly maintained half-plex and duplex homes; prevalence of investor-owned properties; heightened police and code enforcement activity; and declining property values. Vacant, foreclosed properties in the following areas are eligible for acquisition and rehabilitation funding through the BAR Program: Lerwick Road, Norcade Circle, Gigi Place and Della Circle, Morningstar Drive, and Clover Manor Way. The Program will provide low-interest loans (typically 4 percent) to developers who are able to demonstrate capacity and the potential to acquire at least 50 percent of the properties in one of these areas to make a significant investment for change in the area. Funds will be used to provide stable, affordable and safe housing units accompanied by strong property management as a vital component of this Program. Income targeting will contribute to the NSP requirement of 25 percent expenditure to very low income (50% AMI) households. Based on preliminary funding allocation, staff anticipates that up to two areas in the County could be funded with NSP funds if a critical mass of foreclosed properties can be acquired.
Eligibility:	§2301(c)(3)(A) establish financing mechanisms and §2301(c)(3)(B) purchase and rehabilitate homes and residential properties in order to sell, rent, or redevelop such homes and properties.
National Objective:	Low-, Moderate-, Median-income Housing (LMMH); Low-, Moderate-, Median-income Area (LMMA). It is estimated that half of the units produced will be affordable to families at 50 percent of median income and there is the potential for amenities benefiting the area to be produced.
Budget:	$7,442,184

Activity Name:	Property Recycling Entity (PRE)
Description:	NSP contemplates local governments and intermediaries acquiring foreclosed properties for rehabilitation with rental, for sale, demolition, land banking and redevelopment as eligible activities. The Property Recycling Entity (PRE) captures this function and has been designed to either consist of a government, affiliate, or private entity. The PRE is authorized to engage in the following functions: acquire, rehabilitate and sell; acquire, demolish and land bank; develop land-banked assets in targeted areas, either separately or as a joint venture; and/or rent acquired assets and sell when market conditions improve. The PRE will also serve as a backstop or owner of last resort in those situations where the VPP and/or BAR programs may not be applicable or cannot produce the necessary volume to achieve program goals. The PRE's structure can be: government (SHRA ownership); affiliate (SHRA created nonprofit); or private (intermediary nonprofit in partnership).
Eligibility:	§2301(c)(3)(A) establish financing mechanisms; §2301(c)(3)(B) purchase and rehabilitate homes and residential properties; and §2301(c)(3)(C) establish land banks for homes that have been foreclosed upon in order to sell, rent, or redevelop such homes and properties.
National Objective:	Low-, Moderate-, Median-income Housing (LMMH); Low-, Moderate-, Median-income Area (LMMA). It is estimated that nearly half of the units produced will be affordable to families at 50 percent of median income and there is the potential for amenities benefiting the area to be produced. These amenities may also qualify under Low-, Moderate-, Median-income Clientele (LMMC); and Low-, Moderate-, Median-income Jobs (LMMJ).
Budget:	$7,442,184

Definitions and Descriptions

Definition of "blighted structure" in the context of state or local law; definition of "affordable rents;" describe how the grantee will ensure continued affordability for NSP assisted housing; describe housing rehabilitation standards that will apply to NSP assisted activities.

Response - The definition of a blighted structure is located under California State Redevelopment Law (Health and Safety Code 33000 et seq.). Physical Blight is described at Subdivision (a) of section 33031 and includes: 1) Building in which it is unsafe of unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors. 2) Factors that prevent or substantially hinder the economically viable use or capacity of building or lots. 3) Adjacent or nearby used that are incompatible with each other and prevent economic development of those parcels or other portions of the area. 4) Existence of lots of irregular form, shape or size for proper usefulness that are in multiple ownership.

For NSP funded activities, SHRA has adopted the HOME rents defined in 24 CFR 92.252 as the affordable rent standard. Allowable rents per the HUD guidelines are published annually by SHRA. Under the HOME program there are two rental rates: (1) High HOME rent, which is the lesser of the Section 8 Fair Market Rents (FMR) for existing housing or 30 percent of adjusted income of a family whose annual income equals 65 percent area median income (AMI); and (2) Low HOME rent, which is always 30 percent of adjusted income of a family whose annual income equals 50 percent AMI. For units under the NSP program being counted towards the 25 percent of funding to assist households at or below 50 percent AMI the Low HOME rents will be used.

The HOME rental requirements for ensuring continued affordability for assisted housing pertain to the amount of investment provided on a per unit basis; the HOME per unit affordability restrictions will apply to all NSP assisted rental units. They will be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD. The following table details the affordability restriction based upon the per-unit cost of assistance:

Amount of Investment (per-unit)	Affordability Restriction
< $15,000 investment	5 years
$15,000 - $40,000	10 years
> $40,000	15 years
New Rental Construction	20 years
Refinancing Rental Housing	15 years

For homeownership SHRA has adopted the HOME requirements under presumption of natural affordability (CFR 92.254 (a)(5)(i)(B)). Under Homeownership, certain housing may be presumed to meet the resale restrictions during the period of affordability without the imposition of enforcement mechanisms by the participating jurisdiction. The presumption is based upon a market analysis of the neighborhood in which the housing is located.

The analysis included in this determination documented the median housing prices in the ZIP codes in which the target areas are located relative to the countywide median housing price for the past four years. The average difference between the target area median and the countywide median during the past four years was calculated as a percentage of the countywide median to determine a factor. The factor for each target area ZIP code was then applied to the projected countywide median price for the next five years to estimate each target area's median home price. The 2008 median price for the county was held flat for 2009 and 2010, and then the median was increased by 2 percent in 2011, and by 4 percent in 2012 and 2013. The corresponding countywide median price was then adjusted by the previously determined factor for each individual target area to determine that target area's median price.

To determine natural affordability the estimated targeted area median price of housing was calculated against the maximum price affordable to a family of four at or below 80 percent AMI. The 2008 AMI was held constant for 2009-2013. The maximum price of a home affordable for a family at 80 percent AMI was then compared to each target area's projected median price for the next five years to determine if the targeted areas can be presumed to remain naturally affordable.

Formula:
(Average Countywide Median 2005-08 – Average Target Area Median 2005-08) = Factor
Countywide Median (years 2009-13) – Factor = estimated Target Area Median (years 2009-13)
(AMI * .80) * .35 / 12 = Maximum Affordable Monthly Mortgage (MAMM)
MAMM @ 30 years fixed; 6.5% interest; 3% downpayment = Maximum House Price (MHP)
(MHP ≤ estimated Target Area Median Income) = Natural Affordability

Based on this analysis, SHRA determined that a significant majority of the selected target areas fall within ZIP codes that are naturally affordable. Notably, target areas are based on census tract boundaries, thus the housing price analysis based on ZIP code boundaries does not exactly correlate; there are small sections of the selected lower-income target areas that fall within larger, higher-income ZIP codes that are not naturally affordable on average. There are barriers within Zip codes that naturally distinguish these higher cost areas from the lower cost target areas (Example: Interstate 80 bisecting North Natomas and South Natomas). Partial data on home sales in the targeted census tracts, as well as census data showing that these areas have lower incomes and lower homeownership rates on average indicate that the selected target areas are naturally affordable. To ensure that natural affordability has been realized, SHRA will annually calculate the affordability rate for each of the target areas.

To ensure that any equity immediately realized as a result of NSP assistance on the property serves as an incentive but does not result in a windfall to the new homebuyer, an equity restriction will be placed on the property for a period of five years starting from the date of escrow's close. Notably, a property is purchased at 15 percent below current market value, rehabilitated, sold at cost, but that cost remains below the market value for the improved unit, that difference in cost and market value shall remain restricted for a term of no less than five years.

(Example: original market value [$100,000]; purchase price less 15 percent discount [$85,000]; rehabilitation of [$30,000]; sale price [$115,000], market value of improved unit [$130,000]; difference equals equity [$15,000] to be restricted for five years.)

In reference to housing rehabilitation standards, the County will ensure compliance with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability in order to sell, rent, or redevelop homes and properties. SHRA has adopted the HQS standards as referenced in the First-Time Homebuyer program update adopted in July 2006. In addition, to ensure a level of quality necessary to sell or rent the homes and to support neighborhood stabilization and revitalization efforts, the County will require a minimum scope of work as outlined in the guidelines adopted under the Housing Authority's Section 32 program.

The Lead Based Paint Assistance Program under the Single Family Rehabilitation Programs adopted by SHRA in October 2000 will be used to ensure compliance with applicable laws and regulations. SHRA will detail within its contracts with participating developer/contractors lead requirements.

SHRA will encourage property improvements related to improving energy efficiency to the maximum extent feasible. SHRA will seek partnerships with SMUD and PGE and to leverage programs and funding for this purpose.

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 ($35,500).

Response - The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income (Very Low Income) is 60 units in the County of Sacramento. SHRA anticipates the 60 units produced will meet the requirement that 25 percent of funds used benefit very low income individuals. It is expected that these units will be produced under the Block Acquisition and Rehabilitation Program and the Project Recycling Entity.

Acquisition and Relocation
Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (≤ 80% area median income).

SHRA generally does not allow for the conversion or loss of regulated affordable housing units. For NSP funded activities, SHRA does not intend to demolition or convert units unless they are both vacant and uninhabitable. Due to the structure of the programs being implemented, it is anticipated that more low- and moderate-income units will become available as a result of NSP funded activities than existed prior to them. When a residential property is considered for demolition, all of the relocation requirements of the URA and 104(b) (whichever is most applicable) will be followed.

The number of NSP affordable housing units made available to low-, moderate-, and middle-income households (≤ 120% area median income).

SHRA anticipates producing 234 units in the County's targeted areas between January 2009 and the end of program year 2013 for low-, moderate-, and middle-income households.

The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income (Very Low Income) is 60 units in the County of Sacramento.

The administration of the minimum discount for residential property purchases.

SHRA will utilize local appraisers previously retained for the Agency's existing homeownership programs or approve of appraisers used by other parties in the proposed purchase. SHRA will also ensure that all appraisers are familiar with the appraisal requirements set forth in URA at 49 CFR 24.103. The purchase price for all individual acquisitions shall be at a minimum 5 percent discount from current market appraised value. To ensure the acquisition prices for the aggregate NSP portfolio achieves the maximum average discount; SHRA will forego a local methodology and apply the HUD recommended rate of 15 percent (until such time a standardized methodology is accepted by HUD that will allow the 10 percent rate).

Eligible Use of Funds.

SHRA will adopt the HOME Programs eligible costs found at CFR 92.206 with the following exceptions and modifications:

- Relocation Costs – units must be vacant and foreclosed prior to purchase, thus negating the need for relocation.
- Other Development Activities – the end use of the residential property purchased under NSP does not have to remain residential, it can be redeveloped into another use.
- Delivery Costs – since the end use may not remain residential on all properties, delivery costs under the CDBG program are applicable in such cases.
- Net Proceeds – for purposes of NSP activities this shall mean equity subject to recapture if a homebuyer sells a participating property within five years of the close of escrow wherein equity is realized due to the difference of maximum sales price under NSP being less than the fair market price of unit after rehabilitation.
- Fair Return – for purposes of NSP purchased properties this shall mean the price negotiated based upon the appraisal and discount requirements governing the use of funds.
- Spending Rules – for NSP activities there shall be no prescribed limits, but must comply with cost reasonability requirements under the CDBG program; some units will be undersized, adding a bathroom and/or bedroom may be appropriate; SHRA will approve such activities under the scope of work.
- Commitment Deadline – all NSP funds must be committed to projects within 18 months of entering into contract with HUD to receive the NSP allocation.
- Pre-Award Costs – costs pertaining to NSP development are eligible for reimbursement from November 15, 2008 on; this is the date that the Action Plan including the NSP budget was submitted to HUD. The final NSP Amendment to the Consolidated/Action Plan was submitted November 25, 2008.
- Land Banking – it is anticipated that the PRE will be involved in some land banking activities over the course of the next 18 months as an intervention strategy for mitigating the impacts of foreclosures in particularly hard hit neighborhoods. Per

the HUD regulations any properties purchased and land banked cannot remain in the land bank for longer than 10 years. Thus, all land banking will likely conclude by June 2020 and all properties will be obligated for specific, eligible redevelopment activities.

Public Outreach

The Draft 2009 Action Plan and proposed Amendment to the Consolidated Plan based on the language of the HERA legislation was originally noticed on September 12, 2008. Sacramento's allocation under the NSP program was published on September 29, 2008. The NSP Substantial Amendment summary was posted on the SHRA and County websites as part of the 2009 Action Plan for the County of Sacramento on Friday, October 17, 2008.

A news briefing was held the morning of Friday, October 17th and Sacramento's response to foreclosure using NSP funds aired on the radio on KFBK that afternoon shortly after the top of hour between 3 and 6 p.m.; the story also aired on KOVR CBS 13 news at 5 and 6 p.m.; and KXTV News10 as the top story at 6p.m. The story was also on the front page of the Sacramento Bee on Saturday, October 18th and in the Sacramento Business Journal on Wednesday, October 22nd.

SHRA further conducted outreach by presenting a summary of proposed foreclosure activities to:

- The North Highlands Visioning Group – Thursday, October 2, 2008, at 6:00 pm;
- Sacramento Housing Alliance – Monday, October 6, 2008, at 3:00 pm;
- Sacramento Regional Partnership – Wednesday, October 8, at 1:30 pm;
- Oak Park Resident Advisory Committee – Wednesday, October 8, at 6:30 pm;
- City of Folsom – Thursday, October 9, 2008, at 4:00 pm;
- Sacramento Area Realtors – Friday, October 10, at 1:30 pm;
- City of Galt – Monday, October 13, 2008, at 9:00 am;
- North Sacramento Resident Advisory Committee – Thursday, October 16, 2008, at 6:00 pm; and
- Del Paso Heights Resident Advisory Committee – Thursday, October 23, 2008, at 6:00 pm.
- Meadowview Development Commission – Thursday, November 6, 2008 at 6:30 pm.
- Stockton Blvd. Resident Advisory Committee, Thursday, November 13, 2008 at 6:00 p.m.

The Sacramento Housing and Redevelopment Commission heard as a business item the Draft 2009 Action Plan and proposed Substantial Amendment to the Consolidated Plan on Wednesday, October 8, 2008, at 6:00 pm.

The Board of Supervisors of the County of Sacramento heard the 2009 Action Plan and Substantial Amendment as a public hearing on Tuesday, October 21, 2008, at 10:00 am.

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

Response: Generally there has been very positive feedback and very few questions. At the Redevelopment Advisory Committees many questions centered on whether or not these funds could help those currently living in their homes and in danger of foreclosure. Those in the audience also wanted assurances that the programs would target owner-occupiers. There were also requests for more data pertaining to their areas which SHRA's Housing Policy team did provide.

Regarding the various interest groups that were met with, additional targeting criteria such as percentage of homeownership was suggested. Questions relating to actual effectiveness and how to incentivize the activities were common. Some commented on the ambitious nature of creating a new property recycling entity. Likewise, there were questions relating to renter protections or assistance for those living in a property being foreclosed through no fault of their own.

At the public hearings there were speakers in support to include potential development partners, legal aid, and interested citizens as to the efforts undertaken by staff to meet with the public and try to develop programs that can be implemented in partnership with outside organizations.

The actual public hearing testimony can be viewed at:

City of Sacramento (10/21/08)
http://sacramento.granicus.com/ViewPublisher.php?view_id=8

County of Sacramento (10/21/08)
http://saccounty.granicus.com/ViewPublisher.php?view_id=4

The final Substantial Amendment was posted on the SHRA website and submitted to HUD on Tuesday, November 25, 2008.

Point of Contact

For questions pertaining to the administration of the County of Sacramento's NSP program please contact:

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SUMMARY TABLE
NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Activity Name	**Vacant Property Program**	**Block Acquisition and Rehabilitation**	**Property Recycling Entity**
Activity Type	Acquisition, rehabilitation, and sale of scattered site vacant single family properties to income eligible homebuyers.	Developer partner in tightly targeted areas for acquisition, rehabilitation, and to be operated as rental properties primarily for very low-income households.	Creation of government entity, affiliate organization, or existing nonprofit to proactively take on projects, including acquisition, redevelopment, land banking and rehabilitation; provides flexibility and speed to react to market, both scattered and block; allows for strategic focus for larger revitalization efforts.
National Objective	LMMH	LMMH, LMMA	LMMH, LMMA, LMMC, LMMJ
Projected Start Date	January 2009	January 2009	Formed January 2009, undertake activities by June 2009.
Projected End Date	January 2011	July 2012	December 2013
Responsible Organization	SHRA	SHRA	SHRA
Location Description	Target Areas	Target Areas	Target Areas
Activity Description **▪ tenure** **▪ duration** **- affordability range** **▪ cont. affordability** **▪ discount rate**	▪ Homeownership; ▪ One-time developer fee; ▪ In areas where affordability is presumed to naturally occur; ▪ Individual acquisition discount rate 5% / minimum average portfolio discount 15%.	▪ Rental; ▪ 30 year loan (w/ ability to be forgiven) with up to 4% interest; ▪ Length of affordability will follow HOME requirements dependent upon investment amount per unit; ▪ Individual acquisition discount rate 5% / minimum average portfolio discount 15%.	▪ Homeownership, rental, or any allowed redevelopment use; ▪ Grant or 30 year loan (w/ ability to be forgiven) with up to 4% interest; ▪ Either be in areas where affordability is presumed to naturally occur or will follow HOME per unit cost restrictions; ▪ Individual acquisition discount rate 5% / minimum average portfolio discount 15%.
Total Budget **▪ NSP funds** **▪ leverage**	▪ NSP – $3,721,092 ▪ Leverage – $14,900,000	▪ NSP – $7,442,184 ▪ Leverage - $3,700,000	▪ NSP – $7,442,184 ▪ Leverage – $11,000,000
Performance Measure **▪ by income group**	Housing Units ▪ 84 units (51-80% AMI)	Housing Units ▪ 27 units (50% AMI and below); 40 units (51-80% AMI)	Housing Units ▪ 33 units (50% AMI or below); 50 units (51-80% AMI)