

Public Notice
Franklin County
Department of Economic Development and Planning
2009 Neighborhood Stabilization Amendment II
to the U.S. Department of Housing & Urban Development

Franklin County will submit a second amendment to its 2009 Neighborhood Stabilization Program (NSP) to the U.S. Department of Housing & Urban Development (HUD). The County's Consolidated Plan states that any substantial change to NSP requires a formal amendment to HUD. A substantial change is defined as the addition of any new project, the cancellation of any approved project, a change to the approved location of a project, a major change in the scope of activities of any project or its beneficiaries, or the increase or decrease of funding to a project in excess of 20%. This second amendment to the 2009 NSP is required because of program changes which equate to a major change in the scope of activities, as well as the reallocation of funding between NSP projects.

Proposed changes to the substantial amendment:

1. **Discount on Foreclosed Units:** The discount requirement is changed from 15% to 1% to ensure compliance with the NSP bridge notice from HUD dated June 19, 2009. The bridge notice stated that homes purchased under NSP must be purchased at a discount of at least 1% below the market-appraised value of the home. Previously, a discount of at least 15% was required.
2. **Adding the "reconstruction" category to NSP eligible activities:** The County's program will encourage NSP subrecipients to acquire and redevelop FHA foreclosed properties. Subrecipients may acquire, rehabilitate, demolish, and/or reconstruct qualified properties using the County's NSP funds. "Reconstruction" involves the demolition of the existing home and rebuilding of a new home on the same lot. Any rehabilitation or reconstruction of a foreclosed upon home or residential property must comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability. Previously, the County did not specifically permit reconstruction as a NSP activity.
3. **Reconstruction Property Standard:** Subrecipients may only perform reconstruction when the property meets the County's definition of a blighted structure, Section 117.1 of the 2006 Residential Code of Ohio, which states:

"Structures or existing equipment that are unsafe or unsanitary due to inadequate means of egress facilities, inadequate light and ventilation, or which constitute a fire hazard, or are otherwise dangerous to human life, shall be deemed a serious hazard. Where a building is found to be a serious hazard, such hazard shall be eliminated or the building shall be vacated, and where such building, when vacated, remains a serious hazard, it shall be raised."

Reconstruction may also be performed when the property is functionally obsolete by defects in the design of the structure or by current housing standards, or the rehabilitation cost of bringing the property up to building codes and AWARE Manual standards exceeds the cost of doing so through reconstruction.

4. **Green housing standards:** Franklin County has adopted the *AWARE* Green/Universal Design Manual as the performance standard for the reconstruction and renovation of federally-funded residential projects.

Proposed reallocation of NSP funds between projects to facilitate the delivery of affordable housing services:

Proposed Reductions to Project

| | |
|----------------------------------|-------------------|
| • Demolition Contract (Original) | \$230,000 (NSP) |
| Reduction to Demolition Contract | <u>\$ 79,000*</u> |
| Demolition Contract Balance | \$151,000 |
| NSP funds free to obligate | \$ 79,000 |

*Program will not require this funding level to complete all the proposed demolitions.

Proposed Addition to Projects

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|---|-----------------|
| • Homes on the Hill | \$45,000 |
| • Mid-Ohio Regional Planning Commission | \$15,000 |
| • Habitat for Humanity | <u>\$19,000</u> |
| TOTAL | \$79,000 |

A copy of the proposed amendment and the corresponding project descriptions can be obtained by contacting Mark Paxson in the Franklin County Department of Planning & Community Development between the hours of 9:00 a.m. – 4:00 p.m., Monday through Friday at (614) 462-5578. You may also forward any comments or request an electronic copy of the proposed changes, by e-mailing Mr. Paxson at mspaxson@franklincountyohio.gov.