

## **Amendment to the City of Columbus, Georgia's 2008, 2010 Annual Action Plans – Neighborhood Stabilization Programs 1, 3 (NSP 1, 3)**

In 2008, the City of Columbus, Georgia received funding in the amount of \$3,117,039 from the Department of Housing and Urban Development (HUD) for the acquisition, rehabilitation and resale of foreclosed properties. The award was provided through Section III of Division B of the Housing and Economic Recovery Act (HERA) of 2008. The program is identified as the Neighborhood Stabilization Program 1 (NSP 1).

In 2010, the City received funding in the amount of \$1,128,174 from HUD for an additional allocation of Neighborhood Stabilization Program funds provided from the Wall Street Reform and Recovery Act of 2010. This program is identified as the Neighborhood Stabilization Program 3 (NSP 3).

In an effort to ensure that the housing purchased with the NSP funding meets the primary objective of the NSP program by stabilizing neighborhoods that have been most negatively affected by the recent economic and housing downturn, the City is amending its 2008 and 2010 Annual Action Plans for the NSP 1 and NSP 3 programs to allow for the rental of the purchased properties under the NSP program. The properties would be rented as follows:

The City, through its subrecipients, the Housing Authority of Columbus and Neighborworks Columbus, Inc., will rent houses purchased with NSP 1 and NSP 3 funds to income qualified households that are 80% or less of the area median income as determined by HUD. The houses made available to income qualified individuals will be houses that have been available for re-sale and listed on the MLS for a reasonably sufficient period of time. An amendment to the contract with Housing Authority of Columbus and Neighborworks Columbus, Inc. will be executed between the City and these subrecipients, as the owners, to allow for the leasing of the NSP funded properties.

The NSP houses identified as being available for rental, will be available for rent for an Affordability Period of 15 years. The Affordability Period for a respective property will begin with the date that property is initially leased. Each time a property is leased during the affordability period, the property must be leased to an income qualified household that meets the 80% or less of the area median income limits as determined by HUD. Net lease proceeds will be accounted for as Program Income. After the 15 year Affordability Period has expired for a property, the ownership of the property will remain with the subrecipient.

Rental rates will be determined based on the Fair Market rents established by HUD. The contract rent of the unit(s) shall not exceed the current Fair Market Rent minus the current Section 8 utility allowance. The owners of the property must obtain current Section 8 utility allowance for tenant-paid utilities, as

established by the local public housing authority. Increases in rents for NSP-assisted units are subject to the provisions of the outstanding leases. The owner must provide tenants of the units no less than 90 days prior written notice before implementing any increase in rents.

Each subrecipient will be subject to annual monitoring and random physical on-site inspections of each property being leased. All leased properties must be maintained according to Housing Quality Standard (HQS).