



A Region Responds

Neighborhood Stabilization Program

Overview of
NSP 1 Implementation and
Best Practices in
Metro Atlanta

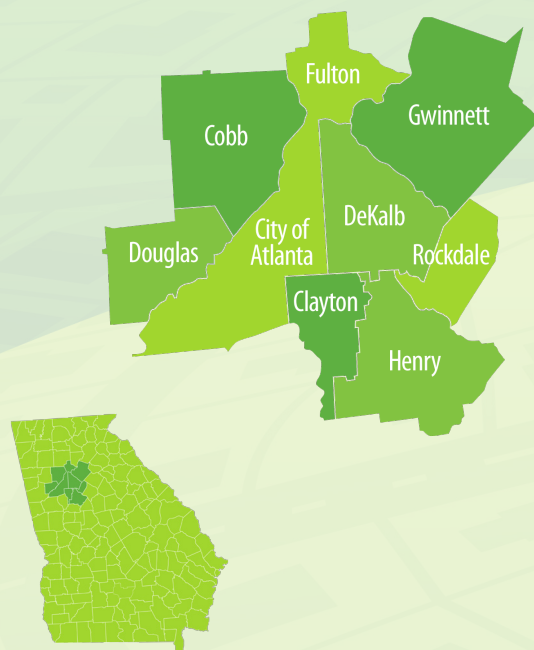
Presented by

Atlanta Regional Commission

Piece by Piece
Foreclosure Response Initiative

About this Report

In 2008, historic legislation was enacted to address the greatest economic crisis to face the United States since the Great Depression. Of the initial \$300 Billion in housing and economic recovery funds, 1.3 percent, or \$3.9 Billion, was utilized to create the Neighborhood Stabilization Program (NSP), an effort to purchase, rehab and reoccupy homes throughout the country. This report will provide an overview of the success of participating metro Atlanta jurisdictions. It includes NSP activity for the City of Atlanta and Cobb, Clayton, DeKalb, Douglas, Fulton, Gwinnett, Henry and Rockdale counties.





The HUD Neighborhood Stabilization Program (NSP) has been a key effort among state and local governments to minimize the impacts of foreclosures in metro Atlanta. NSP has put hundreds of families in foreclosed homes, and through the efforts of local governments is helping stabilize our region's neighborhoods. In addition, NSP1 has generated more than 1,400 jobs in metro Atlanta. The NSP program was undertaken thanks to historic legislation enacted in 2008 to address the economic crisis. The report reflects the Atlanta region's efforts that began early and through NSP, coordinated and shared best practices, moved efficiently to expend funds and take actions that improved neighborhoods one home at a time.

The Housing and Economic Recovery Act (HERA) allocated \$3.92 billion in NSP grant funds to allow states and local governments to purchase and redevelop abandoned or foreclosed properties in areas with the greatest need, based on the extent of foreclosures, subprime mortgages, and mortgage delinquencies and defaults. The eight counties within the Atlanta region and the City of Atlanta received a total of \$92.7 million in NSP funding. As of January 2012, more than 100% of NSP funds have been obligated and more than 80% have been drawn.

As of January 2012, Georgia ranked fourth nationally (following only California, Florida, and Nevada) in overall foreclosure activity. To take action to protect metro Atlanta residents and communities, state and local governments, as well as housing leaders, moved quickly to prepare a well-coordinated response to maximize the NSP funds to stabilize neighborhoods in peril. The eight counties within the region that received NSP funds and the City of Atlanta have successfully impacted 1,223 single and

multi-family homes, and positively impacted 251 neighborhoods throughout the region as of January 31, 2012.

Each jurisdiction has taken its own approach to managing its NSP funds. The City of Atlanta NSP program has instituted a green rehab requirement for all projects. Similarly, Douglas County ensures energy efficiency by upgrading insulation, windows, HVAC, appliances and other items as needed. Other counties, such as DeKalb have concentrated on rehabilitation; funds were used for the demolition of an abandoned blighted multi-family complex, which had served as a magnet for illicit activities. Most importantly, all jurisdictions have concentrated on placing families in homes and stabilizing our region's neighborhoods.

Many thanks to the local government staff and elected officials for their continued leadership and to the homebuyers that shared their stories for this report.

We are also grateful to the more than 140 public and private sector partners who have joined Piece by Piece - A Regional Foreclosure Response Initiative. Collectively, we can make a difference to protect the long-term health and viability of our great region.

Regards,

Douglas R. Hooker
Executive Director
Atlanta Regional Commission

John O'Callaghan
ANDP President & CEO
Piece by Piece Initiative

The Foreclosure Crisis in Metropolitan Atlanta

While the housing crises in Florida and Nevada have attracted much headline attention, staggering numbers of foreclosures have quietly washed over neighborhoods throughout metro Atlanta, leaving abandoned and vacant homes in their wake. Metro Atlanta's housing crisis started in the city's core urban neighborhoods and spread over time to suburban communities. Foreclosures exploded in 2007-2008, but the crisis was beginning to simmer much earlier than that. From 2000 to 2003, foreclosures in the 10-County metro region more than doubled from 14,295 filings in 2000 to just over 33,000 filings in 2003.

What fueled the foreclosure crisis? A perfect storm of mortgage fraud, predatory lending, investor speculation, and stagnant job growth contributed to the toxic conditions. Foreclosures took root in small urban pockets like the historic Pittsburgh neighborhood where abandoned and vacant homes began to litter the blocks leading to plummeting property values and lost wealth. Now none of Metro Atlanta's counties are immune to the crisis. Today, suburban Gwinnett County has the highest number of foreclosure filings in the region with more than 22,700 filings in 2011.

Georgia ranked fourth nationally (following only California, Florida, and Nevada) in overall foreclosure activity, according to a report released by RealtyTrac in January, 2012. The large majority of these foreclosures are in Metro Atlanta. In fact, Metro Atlanta has the highest inventory of government-backed real estate owned (REO) properties in the country. As of January 2012, nearly 5,000 Federal Housing Authority (FHA), Fannie Mae and Freddie Mac owned properties glutted metro Atlanta's housing market. Phoenix trailed metro

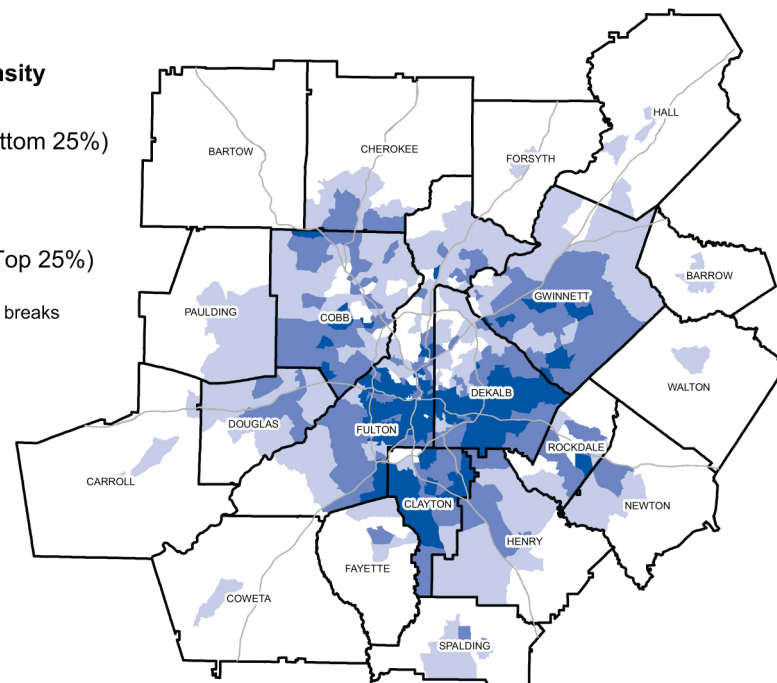
Atlanta with just over 4,000 government-owned REO properties. And, these numbers don't include the thousands of lender-owned REO properties in the market. In Fulton, Gwinnett, DeKalb, and Cobb counties alone, more than 143,000 houses, condos, apartments and other units were vacant in 2010, according to US Census data.

With unemployment as a leading indicator of foreclosure, Georgia's bleak jobs picture has compounded the crisis. The Atlanta region lost more jobs in the 12 month period from August 2010 to August 2011 than any other metro area in the nation. There has been some improvement in recent months with the metro unemployment rate dipping to 9.2% in November, 2011 from a high of 10.4% the previous year. But, it's not surprising that Metro Atlanta families are still feeling the squeeze. Georgia is the third-most consumer distressed state in the country, according to CredAbility's

most recent quarterly index report measuring employment, housing, credit, household budgets and net worth.

Despite these dire trends, efforts to stem the tide of foreclosure in ways that keep people in their homes and restore vacant properties to productive use are taking hold in our region. HUD's Neighborhood Stabilization Program is a critical tool in re-occupying vacant homes with new homeowners and renters.

Foreclosure Density per Square Mile



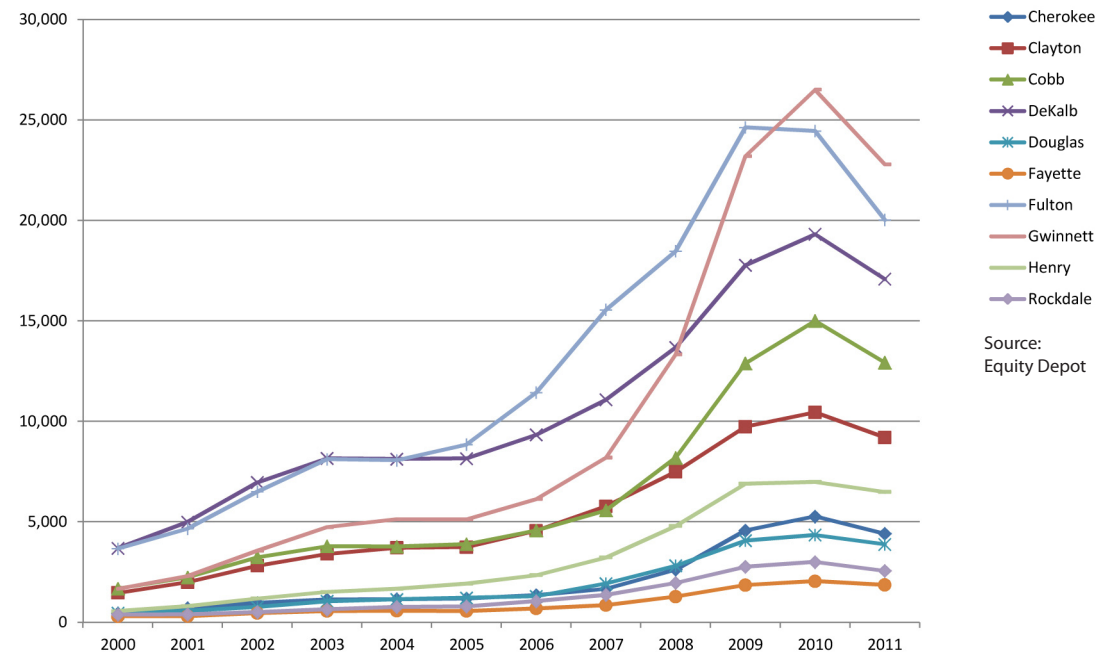
Source: Equity Depot

The Crisis: Then and Now

	2007	2011
US Foreclosure Filings	2,203,295	2,698,967
US Properties w/Filings	1,285,873	1,887,777
% Change from Prev. Year	+75%	-33%
US % Homes w/Filings	1.00%	1.45%
GA Filings (US Rank)	7th	4th
GA % Homes w/Filings	1.57%	2.71%
Metro Atlanta (US Rank)	11th	12th
Atlanta % Homes w/Filings	2.53%	3.69%
10-County Filings	55,179	101,218

Source: www.RealtyTrac.com

10-County Foreclosure Filings: 2000 - 2011



Gwinnett County Responds to the Foreclosure Crisis

In 2008, Gwinnett County overtook DeKalb County for the second highest foreclosure filings total in metro Atlanta. By 2010, Gwinnett had surpassed Fulton County to take the unenviable lead position in the metro. Gwinnett, the second largest county in Georgia, and one of the fastest growing in the country, is working hard to implement NSP and other efforts to combat the crisis. To the right, the Leybourne Street NSP renovation is a shining example of Gwinnett's efforts to reverse current trends.



Overview of the Federal Neighborhood Stabilization Program

The first round of the Neighborhood Stabilization Program (NSP1) refers to the initial \$3.9 billion effort established by the Housing and Economic Recovery Act (HERA), which was signed into law on July 30, 2008, at the height of our country's economic downturn. The NSP program was designed to support local efforts to reverse the effects of the foreclosure crisis. Foreclosed homes have a debilitating effect on neighborhoods and often lead to blight, neighborhood decay and reduced property values, feeding a vicious cycle.

Administered by the U.S. Department of Housing and Urban Development (HUD), the NSP program provides targeted emergency assistance to state and local governments to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values. Subsequent rounds of funding (NSP2 and NSP3) were announced in 2009 and 2010. The NSP funding is provided through HUD's Community Development Block Grant (CDBG) program. State and local governments can use their NSP funds to acquire land and property; to demolish or rehabilitate abandoned properties; and/or to offer down payment and closing cost assistance to low- to moderate-income homebuyers (household incomes not to exceed 120 percent of area median income). In addition, 25 percent of all NSP funds allocated to jurisdictions must be used to serve families whose income does not exceed 50 percent of area median income. The Georgia Department of Community Affairs (DCA) has responsibility for distributing NSP funds allocated to the State of Georgia to local jurisdictions.

HUD took a data driven approach to determining NSP allocation levels by analyzing

number/percent of foreclosures, subprime mortgages and mortgage defaults and delinquencies. The greater metro Atlanta region received a total of \$129.7 million in NSP 1 funding through direct allocations from HUD or through DCA. The jurisdictions referenced in this report received a combined \$92.7 million. For NSP1, HUD issued guidelines directing that the funds be obligated for specific activities within an ambitious 18 month time frame. NSP programs have the ability to not only stabilize neighborhoods by restoring vacant properties and making them affordable to low- and moderate-income buyers today, but also to preserve them as lasting affordable housing and wealth-building opportunities for future generations of homeowners.

While Georgia did not receive a direct award through NSP2 (funded through the American Reinvestment and Recovery Act), the state was awarded \$50.4 million in late 2010 from NSP3, a third round of funding totaling \$1 billion nationwide provided through the Dodd-Frank Wall Street Reform and Consumer Protection Act.

NSP partnerships in metro Atlanta and across the country appear to be working. As of January 2012, more than 100 percent of NSP1 funds have been obligated and more than 80 percent have been drawn. On a national level, HUD awarded

\$7 billion of Neighborhood Stabilization Program funding (rounds 1-3) to hard-hit communities -- funds that are on track to create nearly 90,000 jobs and address 95,000 vacant properties. Three-quarters of communities across the country with targeted neighborhood stabilization investments have seen vacancy rates go down -- and two-thirds have seen home prices go up compared to surrounding communities, according to data tracked by HUD.

NSP Allocations in Metro Atlanta

	NSP1*	NSP3*	TOTAL
City of Atlanta	\$16,304,399	\$4,906,758	\$21,211,157
Clayton County	\$9,732,126	\$3,796,167	\$13,528,293
Cobb County	\$8,582,355	\$3,749,810	\$12,332,165
DeKalb County	\$18,545,013	\$5,233,105	\$23,778,118
Douglas County	\$3,809,526	\$1,628,471	\$5,437,997
Fulton County	\$13,358,410	\$3,094,885	\$16,453,295
Gwinnett County	\$13,512,054	\$5,559,476	\$19,071,530
Henry County	\$6,251,265	\$1,748,209	\$7,999,474
Rockdale County	\$2,700,020	\$1,061,838	\$3,761,858
PROGRAM TOTALS	\$92,795,168	\$30,778,719	\$123,573,887

Source: Georgia Department of Community Affairs - www.dca.ga.gov

*Includes allocations from DCA and HUD.

A Region Prepares for NSP Implementation

When the Housing Economic Recovery legislation was enacted in July, 2008 providing \$3.9 billion in federal emergency assistance to communities hardest hit by foreclosure, Georgia and metro Atlanta housing leaders moved quickly to prepare a well-coordinated state and regional response to maximize the funds to stabilize neighborhoods in peril.

In August – before HUD’s formula allocations and guidelines were even announced, representatives from the Atlanta Regional Commission (ARC), the Georgia Department of Community Affairs (DCA), HUD’s Southeastern Regional Office, the Terwilliger Center for Workforce Housing, and Atlanta Neighborhood Development Partnership (ANDP) began meeting to plan for

a Neighborhood Stabilization Program forum. The goals of the forum were to prepare local governments to apply for, receive, maximize and leverage this unprecedented source of federal monies to address foreclosure. HUD’s requirement that NSP funds be used within 18 months of their receipt demanded rapid yet thoughtful coordination.

On October 8, 2008 more than 80 representatives of local governments in metro Atlanta and across the state gathered for a three-hour forum hosted by ARC, DCA, HUD, the Terwilliger Center and ANDP. Representatives from HUD and DCA presented the latest details on program allocations, requirements and resources and responded directly to questions from the local governments. A best practices panel highlighted effective strategies in land banking, leveraging down payment assistance programs, and serving families at 50 percent or below of area median income (AMI), a specific requirement of the program. Nonprofit panel participants shared effective foreclosure acquisition, rehab and repopulation models.

The October event was just the beginning of an ongoing regional NSP coordination and information sharing process. The Atlanta Regional Housing Forum, a long-standing quarterly gathering hosted by ARC of nonprofit, business, governmental, educational and grassroots organizations to discuss

matters related to affordable housing, has devoted five forum sessions to the topic of NSP since December, 2008. In addition, ARC, in coordination with the Piece by Piece Regional Foreclosure Initiative and Enterprise Community Partners, hosts a standing monthly meeting for participating jurisdictions in the region to talk about their NSP program successes and challenges. Attendees have the opportunity to troubleshoot particular concerns with their county peers and HUD and DCA officials.

Regional Impact of the NSP Program

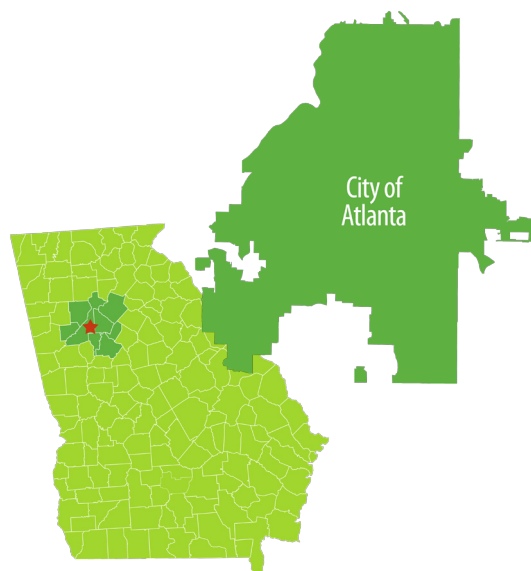
	Units Acquired	Impacted Neighborhoods
City of Atlanta	343	10
Clayton County	151	58
Cobb County	99	42
DeKalb County	196	46
Douglas County	31	10
Fulton County	108	15
Gwinnett County	190	43
Henry County	90	14
Rockdale County	25	13
TOTALS	1,233	251

Source: From listed jurisdictions, as of January 30, 2012



In 2008, before funds were awarded, ARC, ANDP, DCA, HUD and the Terwilliger Center convened regional leaders to discuss how best to quickly and effectively implement the NSP program in Metro Atlanta. Pictured above: Mary Presley with HUD-Atlanta Regional Office and Brian Williamson with Georgia Department of Community Affairs.

City of Atlanta



“I am extremely pleased with the success of our Neighborhood Stabilization Program efforts. NSP has enabled us to acquire, renovate, sell and/or rent 343 housing units within Atlanta’s NSP target areas. I am grateful for the continuing support from our local and state agencies, along with our partners at the Department of Community Affairs, Atlanta Regional Commission, Atlanta/Fulton Landbank Authority and many other agencies and developers in the region. By building partnerships and strategically investing in our neighborhoods, we are tackling the foreclosure crisis one property at a time.”

-Mayor Kasim Reed, City of Atlanta

Program Spotlight

NSP 1 Unit Production		
	Single Family	Multi-Family
Acquired	140	203
Rehabbed	75	34
Sold/Contract	42	0
Rented	23	19
Neighborhoods		10
TOTAL UNITS		343

As of 1/31/12

The City of Atlanta and the Office of Housing desire not only to produce affordable housing, but healthy and green housing. The City of Atlanta NSP program has instituted a green rehab requirement for all projects. Examples of the green rehab requirements include: insulating attics to an R-30 value; insulating crawl spaces to an R-19 value; installing a vapor barrier in the crawl space; purchasing Energy Star appliances; and installing energy-efficient furnaces. In addition to these baseline green requirements, the City of Atlanta has worked with Enterprise Community Partners, in conjunction with a grant received from The Home Depot Foundation, to provide funds to developers to implement additional green rehab measures that

make the NSP funded houses Earth Craft certified.

The City of Atlanta has worked with the House to Home consortium, a network of Atlanta affordable housing advocates, to provide training to the NSP developers. These trainings were essential to the Atlanta program’s success, because it ensured all developers were aware of the NSP requirements and gave them an opportunity to discuss development best practices. Topics for the trainings included: acquiring properties with NSP; reporting and record keeping; developing scopes of work; buyer income verification; down payment assistance; green rehab requirements and NSP rental requirements.



The Douglas Family

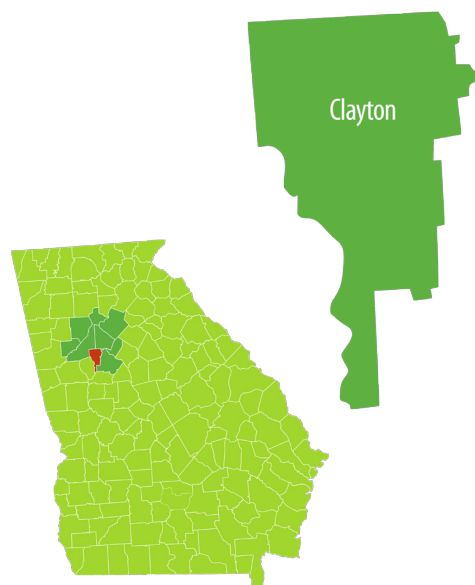
As a single mother to three sons and a daughter, Shanetha Douglas is actively engaged in her children's lives and dedicated to providing them with the opportunity to be successful in life. Shanetha, who was born and raised in South Atlanta, has always dreamed of providing a safe and stable home for her family. "It has been five years in the making that I've planned to give my kids a dream that we've been looking forward to for a long time," she said. "This home is going to make us a closer family unit." Shanetha and her children, ages 8 to 17, are living their dream in a beautiful new home of their own in the Orchard Knob community purchased through the City of Atlanta NSP program. When asked what she loves most about her new home, Shanetha replies "mostly the little things: having a yard where I can host cookouts and gatherings for my family."



The Cihó Family

Eager to invest their time and talents to make their new community a better place to live, Andrej and Jessica Cihó and their three young children moved to South Atlanta from Michigan in 2009. As renters, they fell in love with the neighborhood and its residents. They knew they wanted to put down roots and buy a home and they found the perfect place on Meldon Avenue to fulfill their dream. They signed up for homeownership classes and started the process. Today, they are proud NSP homeowners thanks to the City of Atlanta. In a short time, the Cihó family has already given back to the community. Andrej launched the South Atlanta Bike Shop, a nonprofit youth development organization modeled after a program he participated in as a child growing up in Czechoslovakia. The program allows neighborhood youth to earn a bike while working at the shop and gaining valuable job readiness skills. The ties with the community are further strengthened by the partnership of Atlanta Police Officers from Zone 3 who regularly volunteer at the bike shop.

Clayton County



“We believe that our NSP program can serve as a successful model that can help significantly relieve the deleterious impact of housing foreclosures on the economic and social well-being of other regions in Georgia.”

-Chairman Eldrin Bell, Clayton County

Program Spotlight

Before the first house was purchased or neighborhood target areas were identified, Clayton County worked strategically over several months to engage and collaborate with all stakeholders in the design, ongoing evaluation and management of the NSP. Critical stakeholders included: Realtors, lenders, appraisers, inspectors, attorneys, and NSP asset managers. The stakeholders were asked to attend an initial information workshop to review the goals, objectives and strategies of successful delivery systems. Each of the stakeholders was then asked to make recommendations, comments and any changes to the NSP program design which would impact their process and tasks. As a result, they took ownership of the program, became full partners, participated in regular meetings and made a commitment to NSP’s success.

In addition to prioritizing partner engagement, Clayton County also focused on education and marketing of the program. They recognized the risk of resistance from existing neighbors in program-targeted areas if they did not understand the value of NSP. The county also understood that marketing

was critical to the program’s success. Education and marketing activities included a county-wide housing fair, senior citizens housing fairs, and government and private employers housing workshops. As part of their marketing strategy, Clayton hosted very successful “Block Parties” in every neighborhood where they acquired two or more homes. Designed to inform the neighbors and encourage them to spread the word about available homes among their friends and neighbors, parties were held on Saturdays, with partners such as Home Depot, Lowes, local lenders, realtors, the county sheriff’s department, and others. Cities and asset managers set up booths or information centers, fired up the grill, set-up yard games, turned on the music and opened the houses for tours. The block party events answered any questions that neighbors had about the NSP program, and the parties also served as great marketing to sell the homes. Many NSP units were purchased by friends or family members of the neighbors.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	151	0
Rehabbed	129	0
Sold/Contract	125	0
Rented	0	0
Neighborhoods	58	
TOTAL UNITS	151	

As of 1/31/12



Mary LaSonde

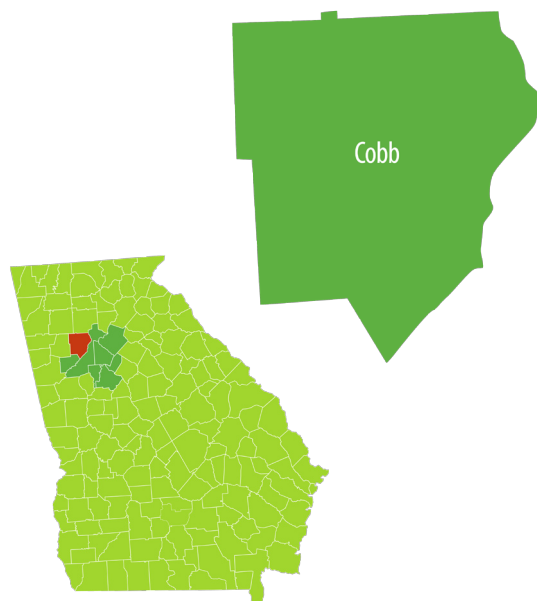
"A ripple effect of blessings" led Mary LaSonde, a retiree of AT&T, to her new home at the Tara Oaks Senior Living community in Clayton County. Facing a divorce and a milestone birthday, Ms. LaSonde was living with her sister as she considered her next steps. Tara Oaks, located in the heart of Riverdale's planned revitalization area, was a perfect fit for her active, retired lifestyle. Ms. LaSonde had first looked at Tara Oaks when it was initially under construction. She fell in love with the plans for the community, but the asking price at that time was more than she could afford.

This 35-unit neighborhood of two-bedroom, single-story attached homes designed exclusively for seniors was under construction with six homes already sold and occupied when the developer went under and had to abandon the project. Southern Crescent Habitat for Humanity stepped in and purchased 17 units, completed them and offered them for sale in partnership with the Clayton NSP program. Mary LaSonde was one of the lucky buyers, and the new price fit her budget. Under the Habitat model, Ms. LaSonde contributed sweat equity to the construction of the community. In fact, she mowed the common front lawn and tended to other landscaping for two years.

Today, Ms. LaSonde enjoys socializing with her neighbors through cook-outs and pizza parties. "We all know each other and look out for one another," she said. She loves her beautiful new home, particularly her spacious master bathroom, and enjoys relaxing on her front porch under her collection of wind chimes.

"Since becoming a homeowner here, I have developed lifelong friendships and have found a new community with which to belong and to build up," said Ms. LaSonde. "I am so blessed and grateful to be a part of Tara Oaks."

Cobb County



“The implementation of the Neighborhood Stabilization Program in Cobb County has been a tremendous asset to the county and one of the county’s best approaches for mitigating the growing foreclosure crisis. Under NSP, the county has acquired and rehabbed a total of 54 single-family housing units and a multi-family complex consisting of 238 units, 55 of which are targeted for NSP. The Program has been extremely successful in transforming blighted and severely distressed neighborhoods throughout Cobb County, while providing critical down-payment and closing costs assistance to eligible homebuyers.”

Chairman Tim Lee, Cobb County

Program Spotlight

Since the award of the 2009 Neighborhood Stabilization Program funds, Cobb County has been proactive in addressing neighborhoods with high foreclosure rates and falling property values. The core of Cobb County’s NSP program includes acquiring, renovating, and selling foreclosed property in HUD and DCA specified target areas. The county (which also provides downpayment assistance and closing costs) actively administers the funds in an effort to counteract the negative results associated with the foreclosure crisis such as crime, blight, and falling property values. Cobb County’s NSP has been instrumental in restoring dilapidated neighborhoods throughout the county. Cobb County’s NSP, to date, has acquired and renovated 54 homes and has provided \$561,599.62 in downpayment and closing cost assistance to qualified homebuyers.

The program has not only been a success for the county, but it has also impacted the lives of many Cobb County residents. Cobb NSP buyers have expressed their gratitude and thanks in the program’s satisfaction survey.

Although the primary emphasis of the Cobb NSP program has been single family acquisitions, Cobb County has also helped stabilize the multifamily housing market in Cobb by acquiring a multifamily property located in Austell, Georgia. The county has effectively used NSP to formulate partnerships among the public and private sectors to sustain affordable housing in Cobb County. We are optimistic that the county’s impact on the foreclosure crisis will continue to grow because of NSP.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	54	55*
Rehabbed	54	0
Sold/Contract	49	0
Rented	0	0
Neighborhoods		42
TOTAL UNITS		99

As of 1/31/12

*Recently purchased a multi-family complex (November 2011) in Austell, Georgia. Of the 238 units, 55 are designated for NSP.



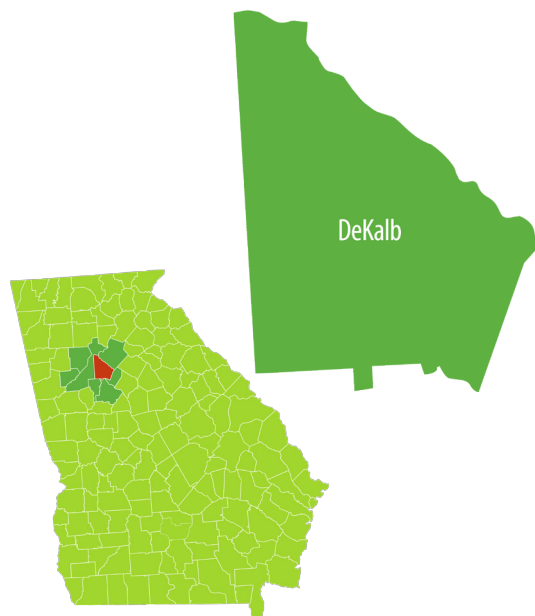
The Brown Family

Anthony and Christie Brown had never owned a home of their own. As a Readiness Non Commissioned Officer with the U.S. Army Georgia National Guard, Anthony commuted three hours round-trip from the family's mobile home in Beaufort, SC to Savannah where he was stationed. The long commute was stressful for Anthony and meant more time away from his wife and six children. When Anthony received transfer papers from the Guard to Dobbins Air Force Base, homeownership was in his family's future.

Thanks to the Cobb NSP program, the Browns found their "dream home" on a quiet cul-de-sac of fewer than a dozen homes that feels like they are living in the country but in reality is only five minutes from the grocery store, the bank and other community services and shops. Even better, the home is located 16 miles from Anthony's job at Dobbins Air Force Base, meaning a much shorter daily commute and more quality family time. The Browns love the home's spacious layout. And as an added bonus, the NSP rehab of the property had included installation of new Energy Star appliances and lighting to reduce monthly utility expenses.

The Browns closed on their home on October 31, 2011. The Brown children immediately knew how they would mark this special occasion. They celebrated the closing of their family's very first home by trick-or-treating in their new neighborhood.

DeKalb County



“Responding to our fiscal needs and promoting homeownership across the board are among my top priorities for this county. Homeownership stabilizes families and neighborhoods and also enhances financial health. It is the cornerstone of our tax base, and our housing programs under our One DeKalb Lives umbrella, particularly NSP, should prove to be instrumental in turning this housing crisis around. We see NSP as the linchpin for reducing the number of foreclosed and abandoned properties and increasing the number of new homeowners in our county.”

- CEO Burrell Ellis, DeKalb County

Program Spotlight

The DeKalb Community Development Department (CDD) recognizes that many critical factors impact the health of its communities and active neighborhood engagement is absolutely essential to achieving neighborhood stabilization. Based on those principles, CDD is implementing a pilot project to stabilize DeKalb neighborhoods. Pilot activities include single-family homeowner housing rehabilitation; the acquisition, rehabilitation and sale of vacant houses; public safety improvement initiatives; community gardens; and proposed infrastructure improvements. With hopes that it can be replicated across the county, the pilot project is underway in a portion of the East Lake Terrace community. Similar projects will be implemented in the Belvedere, Glenwood, and Greater Towers communities.

DeKalb CDD is collaborating with neighborhood associations and other key partners including Habitat DeKalb, Neighborhood Works, Inc., the DeKalb Housing Authority, Senior Connections, BB&T, Goodwill Industries, Emory University – Office of University Community Partnerships, and the DeKalb Board of Health. Other DeKalb County departments

(Planning and Sustainability, Code Enforcement, DeKalb Police, Economic Development, Office of Neighborhood Empowerment, and the District Attorney’s Office) are also engaged.

Real Estate Alliance (REAL), one of CDD’s NSP sub-recipients, has been involved in the East Lake Terrace effort. East Lake Terrace had been devastated by foreclosures and vacancies. REAL acquired and rehabilitated several of the vacant homes and worked diligently with area renters and homeowners from the surrounding community to help upgrade their properties. REAL has improved quality of life by bringing more homeowners to the community. NSP owners are now active in the neighborhood association and DeKalb civic life. The comprehensive collaboration continues, even though major physical changes will take longer before they are visible.

The CDD also provided funds for the demolition of an abandoned blighted multi-family complex, DeLano Place Apartments. This complex had served as a magnet for illicit activities. The demolition of DeLano Place not only improved neighborhood safety but helped to erase blight from the community.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	108*	88
Rehabbed	81	88
Sold/Contract	65	0
Rented	0	86
Neighborhoods	46	
TOTAL UNITS	196	

As of 1/31/12

* Includes 27 units where NSP funds were used as a zero percent second mortgage program. Rehab on these units was the responsibility of the buyers.



Officer Bernadette Hooker

DeKalb County Police Officer Bernadette Hooker takes her oath to “Protect and Serve” very seriously. A seven-year resident of DeKalb County, she considers it home and was thrilled to be able to purchase a previously foreclosed home with financial assistance from DeKalb County’s NSP program.

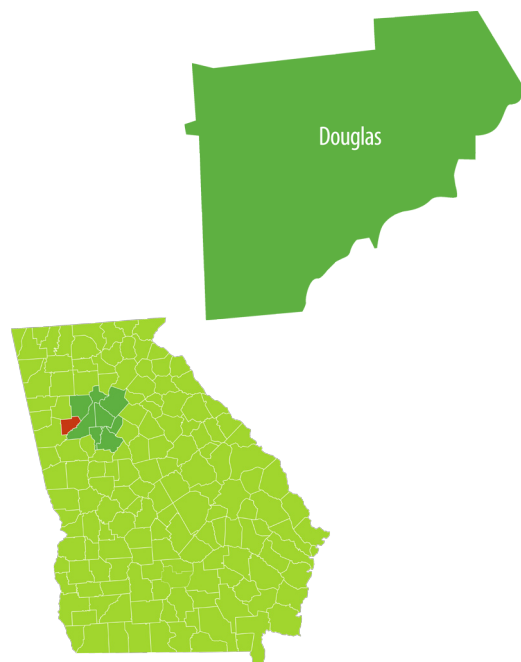
DeKalb County’s NSP program, like all jurisdictions, provides potential buyers with a list of homes in high-impact neighborhoods that have been rehabbed and made move-in ready. But DeKalb was unique in that it offered a second option - find a home in one of six targeted zip codes and get assistance to do the renovation yourself. Officer Hooker took the second option.

“I spent a lot of time looking. The challenge was finding the right home at the right price that needs the least amount of renovation. I’m very happy with this home and this neighborhood. It’s peaceful. It’s beautiful and I have great neighbors!”

Officer Hooker’s neighborhood is located within one of DeKalb County’s revitalization areas and the home served as an example of properties available through DeKalb’s NSP program and its recently-launched “Good Neighbor Next Door” program.

“DeKalb is most definitely home for us. And my ultimate goal is to give back to the community I live and work in.”

Douglas County



“The NSP program in Douglas County has been a tremendous asset for our community. Our success is revealed in the stories of our home buyers. When a Douglas County teacher finds the perfect NSP home close to her school and reduces her daily commute by one hour, we know that the program is a home run. We have acquired and rehabbed 31 homes in Douglas impacting 10 neighborhoods. We are investing in additional properties by recycling program income to serve more buyers. As important as introducing families to the pride and wealth building opportunity of homeownership, we are also lifting property values for surrounding homes so entire neighborhoods can realize the benefit of NSP. On a related note, we are proud that Douglas stakeholders –both public and private sector – have replicated the regional Piece by Piece foreclosure response initiative by designing a similar program that is tailor made for our county communities and specific challenges.”

-Chairman Tom Worthan, Douglas County

Program Spotlight

Douglas County has been successful in its NSP program by purchasing homes in areas where potential buyers have expressed interest. The county has utilized the knowledge of local realtors to purchase homes in areas that have a high rate of successful sales. The program ensures energy efficiency by upgrading insulation, windows, HVAC, appliances and other items as needed. Douglas County NSP requires that 75% of all vendors (builders, loan officers, closing attorneys, inspectors, etc.) must be Douglas County-based businesses. This requirement has put back to work local business owners and employees and provided a stimulus to not only the housing market but to the local economy as well.

Douglas County NSP has participated in local community events, including neighborhood meetings; held open houses in NSP neighborhoods; and sponsored booths at a local festival to increase awareness of the program. They have offered sales bonus incentives to local realtors in the community to increase showings of NSP homes. Successful training of the local real estate professionals through monthly meetings, individual realty office training and attendance at local realtor events has proven to increase the awareness of the program as well.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	31	0
Rehabbed	31	0
Sold/Contract	21	0
Rented	0	0
Neighborhoods	10	
TOTAL UNITS	31	

As of 1/31/11



Welcome Home, Stacey!

When Stacey Mathess' lease came up for renewal, she seized the opportunity to make a change in her life. She began researching homes for sale in Douglas County and found a realtor who introduced her to the NSP program.

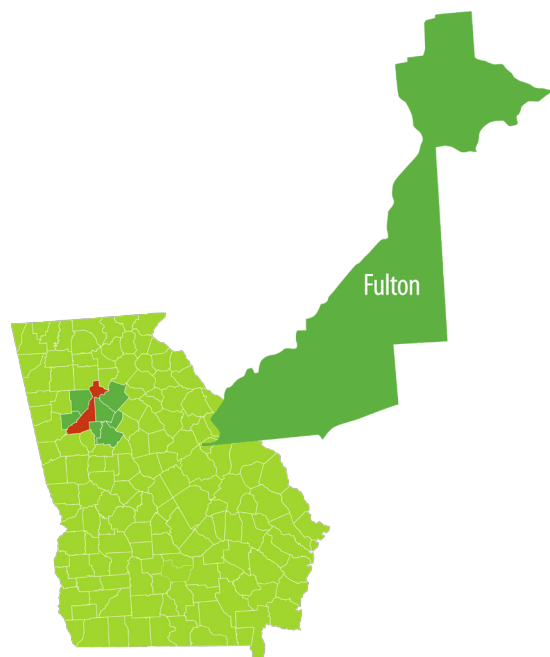
As an eighth-grade language arts teacher in the Douglas County School System, Stacey knew she wanted to purchase in Douglas to be close to her job. When she walked into the home that would become her own, it immediately felt like the perfect fit. "I could just picture myself living there," she said.

The three-bedroom/two-bath house was the right size for Stacey and her dog Scarlet. She also liked the extra room off the garage that would allow her to "grow with the house." Her only hesitation was that the home was slightly older than some of the brand-new homes she and her realtor had visited. Without family living in town to help her, Stacey didn't want to worry about dealing with a broken air-conditioner or dishwasher in the middle of the night. When she learned that the NSP rehab included new appliances and a new AC/heating unit, she felt much more comfortable.

She loves the neighborhood and her new neighbors, especially the children. Stacey's favorite feature of her home? The hardwood floors that are easy to keep clean with dogs. Two weeks after she moved in, Stacey adopted her puppy Woody as a playmate for Scarlet. She enjoys having a yard for her dogs to play. Stacey is thrilled to be a new homeowner. "It's mine," she says of her first home. "I can hang things on the wall. I can paint. And, I know my money is going to something now."

Stacey is pictured with her dogs Scarlet and Woody.

Fulton County



“The Neighborhood Stabilization Program has been a tremendous success in Fulton County. NSP has helped over 15 neighborhoods sell 67 homes to income eligible homebuyers. This has generated over \$4 million dollars in income. One outstanding benefit of this program has been the opportunity for many female head of households to purchase homes at a reasonable mortgage rate, often times lower than a rental payment. These families are making an important first step in realizing their own American Dream. In these tough economic times, it is heartwarming to hear about the life changing opportunities that initiatives like this can provide.”

- Chairman John Eaves, Fulton County

Program Spotlight

A highlight of NSP1 has been the opportunity for many female head of households whose income falls at or below 50% AMI to purchase homes at a reasonable and comfortable mortgage. Many of their mortgage payments are far less than a rental payment which will help them afford the increase of household expenses such as the utilities and lawn maintenance. Additionally, NSP as an innovative program is re-establishing market comps; using green rehab practices developed by SouthFace and Enterprise Green to lower utility costs; and importantly, rotating dollars netted from home sales back into future homes. Because of the successful partnership with program developers, over 20 additional homes acquired with program income are further adding to the neighborhood stabilization impact. In addition to leveraging program income to further the stabilization efforts, ANDP has financing in place with Federal Home Loan Bank of Atlanta,

Mercy Housing, and the Housing Partnership Network. Moreover, APD Solutions has partnered with Waterfall Asset Management, which allows the developer greater access to bulk purchases of foreclosed properties in a single neighborhood. The developers have also worked with eight different subcontractors in the rehabilitation of the NSP1 properties. These subcontractors utilized one to six workers per property. This has generated over 43 job opportunities with NSP1 through the following positions: full-time and contract employees, general contractors, home cleaners, lawn care service providers, inspectors, appraisers, attorneys and real estate professionals.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	108	0
Rehabbed	105	0
Sold/Contract	67	0
Rented	0	0
Neighborhoods	15	
TOTAL UNITS	108	

As of 1/31/12



Khalia Parker

Khalia Parker is starting a new trend. She's the first in her immediate family to become a homeowner! And among her grandmother's many grandchildren, she is just the second to reach this milestone.

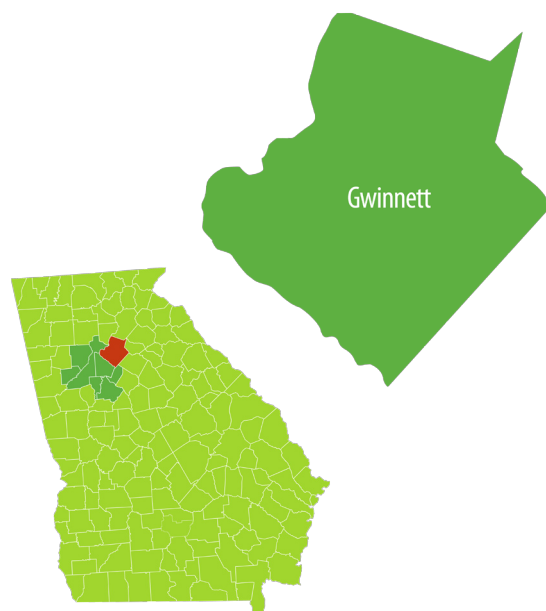
"My cousins are following in my footsteps. We have had some important family gatherings at my new home, and it is exciting to see my cousins preparing to become homeowners too."

Although she has been in her home for less than a year, Khalia's already building some treasured memories - having her extended family visit her, hosting holiday events, meeting her neighbors and celebrating this important step in her life.

"I love my new home. And the distance I drive to work is great! I also really like my neighborhood. It's been great getting to know the neighbors and settling in."

Khalia works for the Transportation Safety Administration at Hartsfield-Jackson Atlanta International Airport. She has been so pleased with Fulton County's NSP program that she's begun to share information about the program with her co-workers.

Gwinnett County



“I love to look at the stories about the people that have been impacted by the Neighborhood Stabilization Program. NSP has not just had a positive impact on the county government as a whole but it has had a direct impact on Gwinnett neighborhoods and individuals that have found good housing through this program.”

-Chairman Charlotte Nash, Gwinnett County

Program Spotlight

The foreclosure crisis has left Gwinnett County with many abandoned and partially-built subdivisions and homes in varying stages of completion. If left unattended, these incomplete properties pose serious public safety and blight risk. Gwinnett County has used NSP funding to successfully tackle this challenge.

Developers started construction on Avington Glenn, a subdivision east of Lawrenceville, in 2006. But the builders abandoned the project after the housing market crashed, leaving 15 vacant “shell” homes and piles of rubbish. The original families who moved into Avington Glenn took pride in their new homes, but the abandoned project devalued their purchases and left them surrounded by half-built homes exposed to the weather and other hazards.

Using NSP funds, Gwinnett County purchased the 15 unfinished homes at Avington Glenn and completed the construction. Nine of those homes are now occupied by new homeowners, and the decline in home prices for the neighborhood has slowed. Existing residents can let their children play

outside without worrying about their being injured by construction debris. The county has successfully deployed NSP funding in three other Gwinnett County neighborhoods with similar circumstances.

In total, Gwinnett’s Neighborhood Stabilization Program has acquired and rehabbed 98 homes, of which 73 have been sold. The program has also facilitated the purchase and rehab of a 92-unit townhouse development providing housing for low-income families, 54 have been rented to date.

The Gwinnett NSP program has been a job producer for the county. Each home represents employment for 35 to 50 people who have been involved in its purchase, rehab and sale. These jobs include bookkeepers, real estate brokers and agents, carpenters, plumbers, HVAC contractors, roofers, landscapers and others.

As the hardest hit metro county, Gwinnett is still working to recover and the NSP program has helped to make a very positive impact on the community.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	98	92
Rehabbed	98	92
Sold/Contract	73	0
Rented	0	54
Neighborhoods	43	
TOTAL UNITS	190	

As of 1/31/12



The Wiist Family

The Wiist Family - Theresa, Jordan and their twins Zoey and Charley - couldn't be happier with their new home in Gwinnett County. And thanks to Gwinnett County's NSP program, it's a home they can afford and an investment in their family's future.

Theresa, a Gwinnett County special education teacher and her husband Jordan, a chef, outgrew their small apartment when their twins arrived. They moved to a larger apartment, but had to pay even more in rent.

"To meet our space needs, we were paying \$1,400 per month in rent. And we just knew that we needed to be spending that money on OUR home."

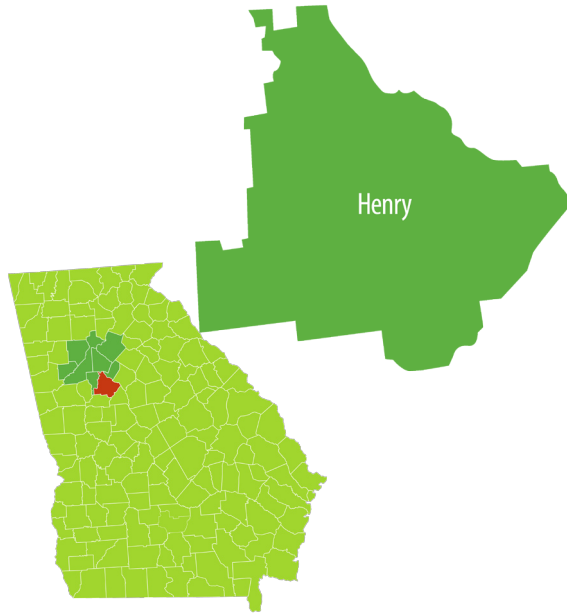
Working with a limited budget they were disappointed in what they were finding to house their family and they almost gave up looking until they found an NSP home with the space they needed and the price they could afford.

"It's a family friendly neighborhood, we have plenty of space for Zoey and Charley and our mortgage is \$400 per month LESS than we were paying in rent. We are very thankful for the Gwinnett County NSP program for matching us up with such a great home and great program."

This is the Wiist Family's first home purchase and will serve their family's growing needs for many years to come.

The Wiist family's new four bedroom, two bath home was among several formerly foreclosed properties in their subdivision in Gwinnett. After a number of recent home purchases, the neighborhood appears to be bouncing back from the crisis.

Henry County



Henry County’s rapid growth over the last ten years made us especially susceptible to the mortgage issues that resulted in so many foreclosures after the economy collapsed. The \$8 million Henry County has received through the Neighborhood Stabilization Program has been a critical tool in getting those foreclosed homes back on the tax digest while also enabling families to afford their own home and preventing surrounding home values from falling even further. It has been a win-win-win for county government, these first-time home owners, and all homeowners in the county.

- Chairman Elizabeth “BJ” Mathis, Henry County

Program Spotlight

Henry County developed a comprehensive, team approach to designing and implementing its NSP1 program. Using data and information received from the Georgia Department of Community Affairs, Henry has focused on the areas of greatest need within the neighborhoods and five districts that make up the county. The county worked closely with city leaders to seek their input and determine the best strategies for serving their communities with NSP. To date, 15 homes have sold in the McDonough/Locust Grove area; 16 homes have sold in the Hampton area; 12 homes have sold in the McDonough/East Henry County area; 12 homes have sold in the Stockbridge/North Hampton area; and 10 homes have sold in the Stockbridge/North Henry County area.

Henry County has worked closely with NSP asset managers to both provide and receive feedback. The county has put a priority on open communication

to ensure that asset managers, real estate agents, and other NSP partners are notified of any changes to the program. The county has worked particularly closely with real estate agents to learn how NSP can best serve their home buyer clients. Given the current economic climate, many prospective buyers are nervous about taking that step or feel that owning a home is outside of their reach. The county has hosted seminars to educate prospective buyers about the responsibilities and benefits of homeownership. The seminars have also included analysis of the costs of renting compared to owning. Many prospective buyers have been amazed that homeownership is available to them at the same or even a reduced monthly payment.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	90	0
Rehabbed	87	0
Sold/Contract	76	0
Rented	0	0
Neighborhoods		14
TOTAL UNITS		90

As of 1/31/12



The Reagan Family

Stephanie Reagan and her two children struggled to get a good night's sleep in their apartment with noisy neighbors and thin walls. Then Stephanie learned of Henry County's NSP program and wondered if this could be the answer to restless nights.

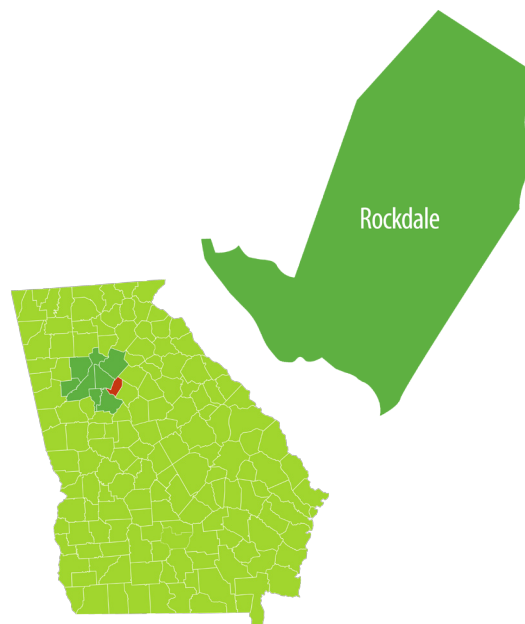
Stephanie is a health care provider for children with terminal illnesses. Like other health care professionals, it's imperative that she rest well between shifts so that she can provide the best skilled care possible to children in need.

After consulting with Henry County NSP staff, she was thrilled to learn that the program was a good fit for her family. She was even more excited to find a home with spacious front and back yards and a quiet distance from neighbors.

"The boys and I were thrilled to come home to a quiet house. And from a financial perspective, I'm thrilled that we were able to purchase a home with a monthly payment less than what we were paying in rent. It's nice to walk in the house, look around and think 'this is mine'. I'm not throwing money away, I'm building a future for me and my boys."

Stephanie and her two boys - one in pre-school and one in college - are thrilled with their new home. Its quiet location, spacious kitchen, and affordability makes them smile everytime they pull in the driveway.

Rockdale County



“The NSP project works. We are building stronger communities and thriving families; Rockdale is turning the tide toward economic success and we’re doing it one new homeowner at a time. This project will re-write the rule book for renewing America’s urban and suburban neighborhoods, because the program is a comprehensive effort to transform foreclosed homes into attractive homeownership opportunities in Rockdale County.”

-Rockdale County Commission Chairman and CEO Richard A. Oden

Program Spotlight

Rockdale County has implemented its NSP program under the county’s Revitalization of Communities (ROC) Initiative. Rockdale County’s ROC team has placed a priority on NSP education – both for prospective home buyers and for real estate professionals. In partnership with HUD certified agencies, Rockdale hosts home buyer education classes on a monthly basis. In fact, Rockdale produced a comprehensive video – displayed on the county’s website at www.rockdalecounty.org that features interviews with Tanesha Lanier, Rockdale County’s NSP Coordinator, and proud, new Rockdale NSP homeowners who share their home buying experiences so that others can benefit.

To educate real estate professionals about the NSP program, Rockdale County developed a unique

collaboration with American Real Estate University (AREU). AREU and the county designed a realtor continuing education course focused on NSP and facilitated by local NSP managers. The class was approved by the Georgia Real Estate Commission for three-hours of continuing education credit. Rockdale understood the importance of engaging realtors in NSP sales as realtors are a primary source for potential buyers. Through this collaboration, the Rockdale NSP program has been presented to more than 400 real estate professionals leading to rapid NSP sales. Rockdale has demonstrated that well-informed real estate professionals and prospective home buyers are critical elements in implementing a successful NSP program.

NSP 1 Unit Production

	Single Family	Multi-Family
Acquired	25	0
Rehabbed	25	0
Sold/Contract	25	0
Rented	0	0
Neighborhoods	13	
TOTAL UNITS	25	

As of 1/31/12



The Kimbell Family

Inspired by a seminar at his church, Sean Kimbell spent several years preparing a careful path to homeownership. He was eager to move his family from a small rental property to a home of their own with plenty of room for his wife and two children, ages 6 and 18. Part of that preparation included an NSP homebuyer education course where Sean, a Rockdale County employee, learned a lot of helpful information. "That course gave me very practical advice on what I needed to know to care for my new investment," he said.

When Sean and his wife first drove past the house that would ultimately become their own, they weren't impressed. In fact, Sean's wife directed him to keep driving past the house, which was painted in an unappealing shade of blue. But when NSP rehab was completed on the property along with a fresh exterior coat of creamy yellow paint, the Kimbells knew they had found the home that was perfect for their family. The three-bedroom, two and a half bath house offered much more space for the Kimbells when compared to their cramped rental.

The Kimbell children were surprised and excited. "They knew we were in the process," explained Sean. "But, they had no idea until the deal was done. Their first time in the house was after the closing and it was a complete surprise for them." With an expansive deck for entertaining and a kitchen gleaming with new appliances, the Kimbell family was thrilled to be home. "Every day I walk in and I think this is all mine. I don't have to ask permission to paint a wall," said Sean. "And I know that every time I pay my mortgage, it's going toward our future. I hated to pay rent to make someone else wealthier, but I love paying my mortgage."

For the first time ever, the Kimbells hosted their extended family's holiday celebration this year in their very own home.

Acknowledgements

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