



Local Economic Impacts on NSP Implementation and Adoptive Strategies for Successful Activity Initiatives

Adjusting Our Programs to Changing Economic Conditions
May 5, 2009

Concourse Hotel – Columbus Airport

Tentative -The Cleveland Federal Reserve Bank- a tool they have developed on community available data to identify neighborhoods where problem areas might develop.

Amy Sackman Odum, CD Director in Lima, - overview on the affect of the recession on their program funding mix addressing the problems identified during the NSP planning. Amy will also lead a discussion on the declining local government capacity and the reduction in capacity of non-profit partners.

Mary Leigh, Program Manager in Lakewood, - describes their interdepartmental committee that meets every other week to identify and remediate vacant, foreclosed and nuisance properties and are beginning to experience success. In 2008 they were able to purchase the tax lien on a property and force it into foreclosure (no one wanted it because all mortgage and tax liens exceeded the value of the property). Subsequent to this the City facilitated the sale of the property to an owner who is in the process of renovating in preparation for their occupancy. She will lead a discussion on acquisition strategies with Jon Han, Assistant Prosecuting Attorney Greene County, and others on how to use tax liens and deed in lieu to put properties in local land banks.

A real estate professional (TBD)- presenting real estate industries perspective on NSP and the residential market, how to identify properties and complexities of negotiations.

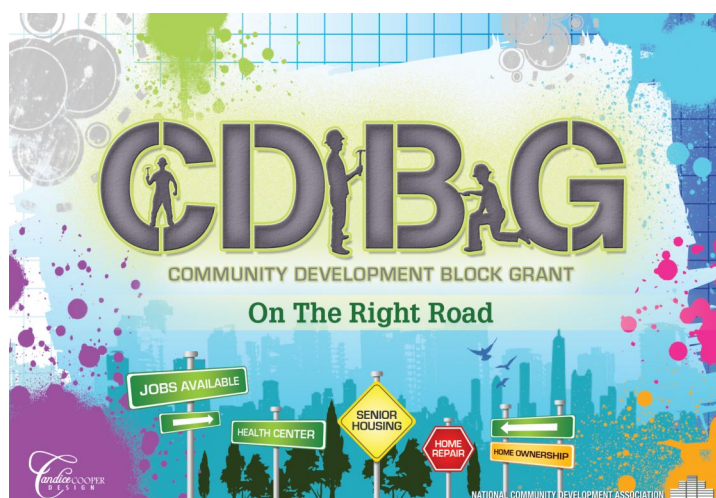
Other discussions will cover:

1. How the reduced market has affected rehab resale.
2. The effects of the clarification of EPA rules on demolition of single family units with asbestos.
3. NSP rule changes in the Stimulus Bill and the Budget Bill.
4. Guidance on other Basic NSP functions

The program will end with a brief discussion of the regulations on the competitive NSP Program.

See mailing insert and watch the OCCD website for finalization of agenda – www.occd.org

Registration fee: Members \$55 / Non-members \$80



NATIONAL COMMUNITY DEVELOPMENT WEEK

April 12, - 19, 2009
www.nedaonline.org



OCCD Spring Quarterly Meeting May 6 and 7, 2009 in Columbus, Ohio

By Nancy S. Cook, OCCD vice-president

Every spring I am reminded that there is a rebirth. The days are longer, the birds are singing, gardens are sprouting and my golf clubs are cleaned off. Spring is in the air! This year I am looking forward to another rebirth of a sort. New programs are springing up along with corresponding funds to support the programs. God Bless AMERICA! Stimulus funds are meant to stimulate and we can look forward to a rebirth in our communities as the funds “hit the streets”!

This conference will be devoted to experts in Housing and Economic Development who will speak on how they are investing money, time and energy to make a difference in the lives of Ohioans during challenging economic times.

First up on Wednesday morning is Donna Hunter, City of Columbus; Land Redevelopment Administrator and John Turner, Assistant Land Redevelopment Administrator. Ms. Hunter will speak on “Land Acquisition, Redevelopment and Land Banking – Tips from C o l u m b u s ” . T h e Land Redevelopment Office acquires properties through tax delinquency, donation, or receives surplus from other City departments and outside agencies. This office will play a key role in implementing the Neighborhood Stabilization Program strategy for the City of Columbus.

After the break, we continue our conference with “Responsibilities under the Fair Housing Act”. April is Fair Housing Month so it is appropriate to highlight two informative speakers: Jim McCarthy, President/CEO Miami Valley Fair Housing Center, Inc. and John Zimmerman, Vice President, Miami Valley Housing Center, Inc. We will learn what everyone should know about equal opportunity in housing. The presentation will give us

fresh ideas and remind us, as we roll out our new programs, that we need to be ever vigilant in protecting rights of all of our citizens.

Please take the opportunity at lunch to attend the OCCD Committee Meetings. If you have an interest in one of the following committees, (Federal and State Training, Membership, Legislative, or State Programs) please consider joining in the discussion.

Wednesday afternoon continues with Cynthia Sich, Director of the Summit County Office of Consumer Affairs. Ms. Sich, who has been working for nearly two decades in the consumer protection field, will share recent Summit County Foreclosure Intervention Efforts. These efforts address Summit County homeowners coping with economic hardship. Despite intervention efforts, the most vulnerable in our communities sometimes face homelessness. Joyce Probst MacAlpine, Manager of Housing and Homeless Solutions of Montgomery County, lends her expertise to the homelessness issue. The County developed a 10-year plan for ending chronic homelessness and reducing overall homelessness. Ms. MacAlpine will provide insight into how Montgomery County is implementing their Homeless Solutions program.

An OCCD conference would not be complete without an update on current Legislation. Pamela Hanover, Esq., of Squire, Sanders & Dempsey, L.L.P. will update us on legislation crucial to our communities and will also highlight current law relating to issues communities face when dealing with the foreclosure.

On Thursday morning we continue with “State of Ohio infrastructure redevelopment: News from OPWC “. Mr.

Michael Miller, Director of the Ohio Public Works Commission will give an overview of OPWC’s programs and discuss how the State’s plan for economic stimulus funds impacts the various programs. OPWC’s challenge is to coordinate the SCIP and LTIP funds for infrastructure improvements statewide to build the needed roads, bridges, water supply systems, storm water collection and solid waste disposal facilities. With such great infrastructure needs in our communities, this will be very timely!

We conclude with our last speaker, Mark Barbash, Interim Director, Ohio Department of Development. OCCD has been fortunate to have our favorite economic development “guru” speak to us in the past. Mr. Barbash will be heading a panel discussion on “Latest from the State! What’s new from ODO”. We are sure to learn much about the State of Ohio’s economic development efforts, successes and challenges during these exciting and challenging times.

The OCCD Spring Quarterly Meeting will conclude with separate presentations from HUD and the State of Ohio, Entitlement and Small Cities representatives.

As always we welcome all members and any new members. Please take some time to look at the OCCD display for up to the minute Calendars of events, Trainings, and past and current Newsletters. Take time to join us at the networking reception and hospitality on Wednesday evening. We welcome your input. Your ideas put on the surveys provided at the end of each day will be used for future meetings.

Hope to see you at the Spring Quarterly Meeting in May. Welcome!




National Vacant Properties Campaign

CREATING OPPORTUNITY FROM ABANDONMENT

www.vacantproperties.org

OCCD Spring Quarterly Meeting May 6 and 7, 2009	
Wednesday 8:00 a.m.	Registration Opens
9:00 – 9:10	Welcome – Nancy Cook, Vice President, OCCD
9:10 – 10:15	Land Acquisition, Redevelopment and Land Banking – Tips from Columbus <ul style="list-style-type: none">Donna Hunter, City of Columbus; Land Redevelopment Administrator.John Turner, City of Columbus; Assistant Land Redevelopment Administrator.
10:15 – 10:30	Break
10:30 – 12:00	Responsibilities under the Fair Housing Act <ul style="list-style-type: none">Jim McCarthy, President/CEO Miami Valley Fair Housing Center, Inc.John Zimmerman, Vice President, Miami Valley Housing Center, Inc.
12:00 – 1:15	Lunch and Committee Meetings <ul style="list-style-type: none">Federal and State TrainingMembershipLegislativeState Programs
1:15 – 1:30	OCCD Business Meeting
1:30 – 2:30	Summit County Foreclosure Intervention Efforts <ul style="list-style-type: none">Cynthia Sich, Director of Summit County Office of Consumer Affairs
2:30 – 3:00	Homeless Solutions <ul style="list-style-type: none">Joyce Probst MacAlpine, Manager of Housing and Homeless Solutions, Montgomery County, Ohio
3:00 – 3:15	Break
3:15 – 4:00	Watch Out! Legislation in the Works <ul style="list-style-type: none">Pamela I. Hanover, Esq., Squire, Sanders & Dempsey, L.L. P.
4:00 – 4:30	Policy Committee Meeting
4:30 – 5:15	Federal & State Training Committee
5:30 – 6:30	Reception
8:00 – Midnight	OCCD Hospitality
Thursday 8:00 – 9:00	Committee Chair Breakfast
8:15 a.m.	Registration Continues
9:00 – 9:05	Welcome – Nancy Cook, Vice President
9:05 – 9:45	State of Ohio Infrastructure Redevelopment <ul style="list-style-type: none">Michael Miller, Director of the Ohio Public Works Commission
9:45 – 10:00	Break
10:00-11:30	Latest from the State! A panel discussion <ul style="list-style-type: none">Mark Barbash, Interim Director, Ohio Department of DevelopmentBill Graves, Director, Community Development DivisionJohn Magill, Chief Strategic OfficerLisa Patt-McDaniel, Director, Office of Workforce DevelopmentSteve Schoeny, Director, Strategic Business Investment Division
11:30 – 12:00	Meeting as Entitlements and Small Cities
REGISTRATION: The registration fee for the 2009 Spring Quarterly Meeting for members is \$85 for the first registration and \$60 each additional person registering at the same time . The non-member rate is \$135. Registration should be mailed to Karen Nelsch, OCCD Office, P.O. Box 986, Cuyahoga Falls OH 44223, FAXed to (330)923-0265. You can also register on our web site, www.occd.org . The registration deadline is April 29, 2009	
ACCOMMODATIONS: advance reservations are important and should be made directly to the Concourse Hotel. (614) 237-2515. Specify the OCCD conference and ask for the special rate of \$109 and make your reservations before April 13, 2009	

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2008 - 09 Executive Committee	
President	Evelyn King, Assistant Director, Economic and Community Development Department, Cambridge
Past President	Patricia Hobbs, Community Development Manager, Greene County Development Department
President Elect	Anita Stocker, Director, Community Development Department, Geauga County
Vice President	Nancy Cook, Housing Rehabilitation Manager, Department of Planning and Urban Development, Akron
Treasurer	Verna Vance, Fiscal Officer, Montgomery County
Secretary	Angela Williams, CDBG Manager, Kettering
Board Members	Mary Crockett, Community Development Director, Xenia Ken Lengieza, Director, Marion County R.P.C. Gary Locke, Director, Department of Community Development, Kent Sharon Austin, Development Analyst, Ohio Capital Corporation for Housing (Appointed) Fritz Leighty, President, Leighty & Snider, Inc. (Appointed)

About Our OCCD Spring Meeting Speakers

Jim McCarthy, President/CEO, Miami Valley Fair Housing Center, Inc.

Mr. McCarthy has worked closely with and presented at seminars and conference organized by Fannie Mae, Freddie Mac, AARP, the National Fair Housing Alliance, the Coalition on Homelessness & Housing in Ohio, the National Association of Counties, and the National Association for County Community & Economic Development. Mr. McCarthy has also testified before the U.S. Housing of Representatives Community on Oversight and Government Reform - Subcommittee on Domestic Policy on “Foreclosure, Predatory Mortgage and Payday Lending in America’s Cities”.

John Zimmerman, Vice President of the Miami Valley Fair Housing Center (MVFHC)

John is certified by the State of Ohio, Division of Real Estate, to conduct continuing education classes on Fair Housing and residential real estate related topics. Mr. Zimmerman is a member of the Equal Opportunity Committee at the Dayton Area Board of Realtors and works extensively with the Greater Dayton Apartment Association.

Cynthia Sich, Director, Office of Consumer Affairs, Summit County

Cynthia Sich has been the manager of the Green Bay Regional Consumer Protection Office in the Wisconsin where she managed all aspects of the office, oversaw complaint mediation and enforcement actions of consumer specialists, consumer investigators and w/m inspectors, approve referral investigations to district attorneys, attorney general or federal agencies, and respond to inquiries from the media, public, and legislators.

Cynthia became., Cynthia conducted consumer fraud investigation for the Arizona Attorney General’s Tucson Office, including but not limited to, Internet, telecommunication, telemarketing, elder fraud, raffles, advance fee loans, health fraud, fraudulent sales, fundraising, and business opportunities.

Joyce Probst MacAlpine, Manager of Housing and Homeless Solutions, Montgomery County.

Ms. Probst MacAlpine is responsible for supporting the implementation of the *Community Homeless Solutions 10-Year Plan for Dayton and Montgomery County* including coordinating the Homeless Solutions Policy Board which acts as the community’s Continuum of Care, identifying new resources for housing and supportive services, and analyzing existing and proposed programs and policies affecting the homeless system. She is leading Montgomery County’s engagement in the production of 750 units of supportive housing and 1,800 units of affordable housing over the 10 year life of the Homeless Solutions Plan.

Previously she was the Senior Policy Development Advisor for Housing in the Office of Illinois Governor Rod Blagojevich. In that position she was responsible for developing and implementing innovative housing policy proposals, and conducting budget and legislative analysis. She played a leadership role in the development of Illinois’ first housing plan *Building for Success: Illinois’ Comprehensive Housing Plan*.

Mark Barbash, Interim Director, Ohio Department of Development

Mark Barbash was appointed Interim Director of the Ohio Department of Development on February 17th, 2009 by Governor Ted Strickland. He joined the Strickland / Fisher Administration as Chief Economic Development Officer and Assistant Director Department of Development by Lieutenant Governor / Development Director Lee Fisher. Previously, Mark Barbash served for seven years as Director of the Columbus (Ohio) Development Department, leading the City’s the city’s programs for economic and neighborhood development, housing, social services, building and zoning codes, planning, downtown development.

William J. Graves, Director, Community Development Division, ODOD

As an employee of the Ohio Department of Development (ODOD) for more than 22 years, William J. Graves has served the department in several positions including: Development Specialist, Development Specialist Supervisor, Office Manager and Assistant Deputy Director. After two years as the Housing Administrator for the city of Columbus, Mr. Graves returned to ODOD as the Community Development Division Director in February 2007. He serves as the Ohio Department of Development representative on the Ohio Housing Finance Agency Board.

Steven Schoeny, Director, Strategic Business Investment Division, hio Department of Development

In this role, Steve oversees the Offices of Business Development, Tax Incentives, Workforce Development, Financial Incentives, Loan and Grant Servicing, and the Ohio Energy Office. The Strategic Business Investment Division has a budget of \$275 million and manages a loan/bond portfolio of over \$400 million. The Division works to create, retain and expand job opportunities for Ohioans and focuses on issues that impact Ohio’s economy by providing business development, labor/management cooperation, employee training and infrastructure development resources.

Before joining the Department of Development, Steve was a staff economist with an economic consulting firm in Washington, DC and a research assistant at major economic policy think tank.

Lisa Patt-McDaniel, Director Workforce And Talent Division

Lisa Patt-McDaniel is director Workforce and Talent Division within the Ohio Department of Development. The Workforce and Talent Division manages the Ohio Investment in Training Program, Workforce Guarantee Program, and the Governor’s Workforce Investment Act Discretionary funds as well as staffs the Governor’s Workforce Policy Advisory Board.

Worth Noting

OCCD Membership Renewals

OCCD membership renewal invoices were mailed during the first week in April. Prompt payment insures the financial health of our Association. If you have any questions or concerns, please call Karen Nelsch at (330) 923-0265.

Newsletter Deadline

Deadline for submission of copy for the newsletter is June 10, 2009. Send printed and disk to: OCCD Office, PO Box 986, Cuyahoga Falls, OH 44223, Attn: Newsletter Editor. Or, e-mail to: mail@occd.org. Or, fax to: 330-923-0265

OCCDYAHOO Groups

Receive development news as we get it and discuss topics of interest with your peers. To join, e-mail Gary Locke at gsl44240@yahoo.com

2009-10 Committees

One of the most important elements of our organization is its committee structure. All committees meet at lunch at the quarterly meetings. If you would like to be a member of a committee a check off postcard will be available at the Spring Meeting and also mailed in May or contact Karen Nelsch at (330) 923-0265 or mail@occd.org.

Retirees

OCCD wishes to recognize retiring members. If one of your associates is retiring, please send an announcement with a short paragraph about the retiree. We will publish it in the next newsletter and honor them at the quarterly meeting. Send notices to Karen Nelsch, P.O. Box 986, Cuyahoga Falls OH 44223 or mail@occd.org

Job Openings

Do you have a vacant position? Let OCCD promote it on our web page, with existing mailings or in our newsletter. Call Karen Nelsch at (330) 923-0265 or e-mail her at mail@occd.org for details.

The Ohio Conference of Community Development, Inc. President’s Award for Innovative Programs

Are you proud of your unique and creative program that at least partially uses HUD or State funds? Apply for the OCCD President’s Award to get the recognition you deserve. In order to encourage innovate and excellent programs, OCCD is again requesting self nominations for the “OCCD President’s Award for excellence and innovation in the delivery of housing and community development services.”

Selection will be based upon (a) the significance of need addressed, (b) the ability to sustain the impact over time, (c) the ability of the project to be replicated elsewhere with similar success, and (d) the scope of the impact on the community. Judging will be based upon a maximum of 25 points in each of these four categories, with a minimum of 60 points necessary to qualify for the award.

The nomination should include the following information:

1. Briefly describe the project/activity. Use quantitative description as much as possible. Provide a budget showing revenue and expense. Describe the intended beneficiaries. Identify local contacts and include their telephone numbers.

2. Briefly describe the outcome or desired outcome of impact to your community. What was the situation that led to this activity being enacted? Describe how the project/activity was created. Who initiated it and why? Name all participants and organizations involved in the effort.

3. Describe the outcome or desired outcome of impact to your community. Use quantitative terms (number of jobs created, etc.) Describe unexpected outcomes. Was it successful? How can this activity be duplicated in other communities? Knowing what you know now, what would you do differently if you could start over?

The OCCD president will select a panel of judges. This panel is made up of at least one Executive Board member, one Policy Committee member and one consultant member and should represent both Entitlement and Small Cities members. No community with a representative on this panel may submit a project/activity for consideration. The panel will make nominations based upon the submissions and the current OCCD president will select the winner.

The application deadline for this year’s award is **June 10, 2009**. Please send 6 copies of all information to Karen Nelsch, OCCD Office, P.O. Box 986, Cuyahoga Falls Ohio 44223.

OCCD PRESIDENT’S AWARD SUBMISSION REQUIREMENTS



- Briefly describe the project/ activity:
- Use quantitative description as much as possible.
 - Provide budget, showing revenue and expense.
 - Describe the intended beneficiaries.
 - Identify local contacts with telephone numbers.
- II. Briefly describe why the project/activity was needed in community:
- What was the situation that led to this activity beingenacted?
 - Describe how the project/activity was created.
 - Who initiated it and why?
 - Name all participants and organizations involved in the effort.
- III. Describe the outcome or desired outcome of i mpact to your community:
- Use quantitative terms (number of jobs created, etc.).
 - Describe unexpected outcome(s).
 - Was it successful?
 - Why was it successful?
 - How easily can this activity be duplicated in other communities?
 - What would you do differently, if you could start over, knowing what you do?

Hamilton County Community Development: Neighborhood Stabilization Program

Eligible Uses for Foreclosed, Abandoned, and Vacant Properties and Structures

General Notes and Definitions

- Eligible Use category is indicated by parentheses ().
- **LMMI** - Low, Moderate, Middle Income = 120% of area median income
- **Foreclosed** – A property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete.
- **Abandoned** – A home is abandoned when mortgage or tax foreclosure proceedings have been initiated, no mortgage or tax payments have been made for at least 90 days, AND the property has been vacant for 90 days.
- **Vacant** – Unoccupied for at least 90 days; not abandoned or foreclosed.
- It is assumed that acquisition has occurred with NSP funds.
- Properties may only be redeveloped as housing under Eligible Use (E)

Foreclosed Properties

No Acquisition / Not Owned

1. Demolish if blighted (D)

Acquisition

1. Rehabilitate (B); sell to LMMI with down payment assistance
2. Land Bank (C) if end use is unknown
3. Demolish if blighted (D) and either Land Bank (C) if end use is unknown or Redevelop as housing (E) and sell to LMMI with down payment assistance
4. No rehabilitation or redevelopment necessary; sell to LMMI with down payment assistance

Abandoned Structures

No Acquisition / Not Owned

1. Demolish if blighted (D)

Acquisition

1. Rehabilitate (B); sell to LMMI with down payment assistance
2. *Demolish if blighted (D) and Redevelop as housing (E); sell to LMMI with down payment assistance

*If an abandoned structure is acquired and demolished, then it must proceed expeditiously to redevelopment (E), as it is not permitted to be land blanked under Eligible Use (C).

Vacant Properties and Structures

No Acquisition / Not Owned

1. Demolish if blighted (D)

No Acquisition / Already Owned

1. Demolish if blighted (D)
2. Redevelop as housing (E); sell to LMMI with down payment assistance

Acquisition of Vacant Property

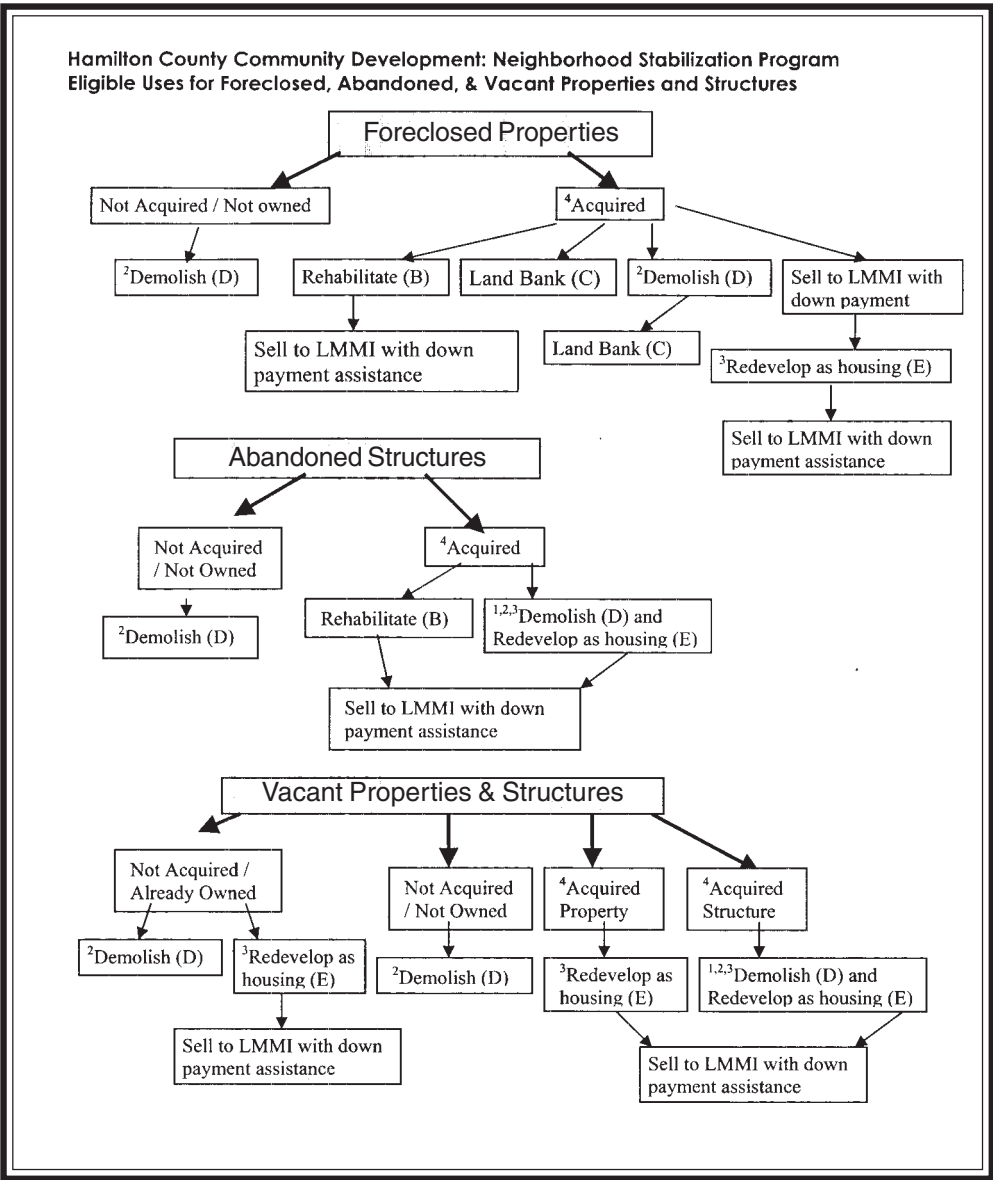
1. Redevelop as housing (E); sell to LMMI with down payment assistance

Acquisition of Vacant Structure

1. *Demolish if blighted (D) and Redevelop as housing (E); sell to LMMI with down payment assistance

*If a vacant structure is acquired and demolished, then it must proceed expeditiously to redevelopment (E), as it is not permitted to be land blanked under Eligible Use (C).

1. If an abandoned or vacant structure is acquired and demolished, then it must proceed expeditiously to redevelopment, as it is not permitted to be land banked under Eligible Use (C).
2. Structures may only be demolished if they are blighted.
3. Under Eligible Use (E), properties may only be redeveloped as housing.
4. It is assumed that acquisition has occurred with NSP funds.



Debra Mayes

OCCD Training



Neither snow, nor ice deterred the record turnout for the *Legal Issues for Acquiring Properties with NSP*. We were worried no one would show up only to have more people than we had registered! One last time I will apologize for the shortage of seating and while roundtables were a great idea when we were anticipating 65 to 70 people, yes, breakout rooms would have been better for 140. Hindsight.

Although the majority of the evaluations were positive there were some who thought we came up short. Most indicated a need for additional NSP training while some say “enough”. Some will be pleased with the topic for May 5; some won’t. It appears there are more questions than answers for NSP and NSP II but I can say without reservation that HUD Columbus, OHCP and OCCD are doing the best we can to get you the answers. A reminder that all materials associated with that training (that I have received) are posted on the OCCD Yahoo Groups site in the NSP folder. If you aren’t a member of Groups and would like to sign up please e-mail me at dmayeres@core.com. If your server prohibits you from accessing Groups let me know and I will “try” to send out info as it becomes available. I have been told by some members that they were able to get the IT person to “knock a hole” in the wall for access.

Due to the weather becoming even worse Wednesday, the testing for Basically CDBG was cancelled and rescheduled for Thursday, May 7 at 1p.m. at the Concourse Hotel. The registration form is available on our website www.occd.org under *Training*. There are two tests – one for entitlements and one for small cities so **registration is required**. It is an open book test and you do not have to have taken the Basically CDBG training to take the test. A score of 70% is required for passage.

Speaking of Basically CDBG and the testing, if you are interested in becoming an Ohio Community Development Specialist visit the OCCD website for information. Basically CDBG & HOME Certified Specialist training and testing are Levels 1 & 2 followed by the submission of electives. Certification is presented each year at the OCCD Annual Meeting in July.

Elsewhere in this newsletter you will find a “briefing” on the training for May 5 - *Adjusting Our Programs to Changing*

Economic Conditions. While the majority has agreed that we have to take advantage of this training date to further discuss NSP, it has been a challenge for Jack and me to pull all the speakers together in time for Karen to send the newsletter to press. By the time you receive your newsletter the agenda **will** be finalized and posted on the website.

Also at this time we are working very hard to be able to offer a two-day Capital Access training entitled *Gearing Up for NSP II: Putting Together a Competitive Application* in mid-May. Mindful of your budgets, it is imperative that we secure sponsorship so that we can offer the registration at a reasonable rate. Jack and I met with Patricia Barnes and staff at Ohio CDC to discuss co-sponsorship and are looking at other sponsorships as well. Again with the newsletter deadline I cannot guarantee as I write this column that this training will take place.

At the end of my column I always urge you to check out the OCCD Calendar of Training & Events (www.occd.org) for regularly updated information on trainings and events being sponsored by OCCD as well as other partner organizations. Currently there are 3 pages- there is no shortage of trainings and events!

Hope to see you in May!



John E. Riordan

Almost To Nirvana But Will SI Beat You To It?

Soon you will have more money than you can spend in the allotted time.

Part of your good fortune results from most of you have proven track records of spend money rapidly and safely when you are very careful with rehab. The other factor is the dismal mess that the economy has caused which you are being paid to clean up.

Since returning as a contributor to this Journal in January 2005, I have tried from time to time to point out that we have become a nation of consuming gluttons of cheap stuff. Also we do not factor the economic cost of buying more than we make and borrowing from the very suppliers of the cheap stuff.

The root causes of our economic problems are US. WE ARE THE ENEMY that we try to hide. Although many of us limit our gluttony to

actions that have little impact on other people, we refuse to recognize the collective affect of our greedy actions. We are gluttons by our very nature resulting from the feast or famine encountered during our evolution. Now it is not just about food but about everything we judge to be important to our survival and our ability to get into the gene pool.

From my assigned spot in the last pew in the church of life, I came to realize that there are just two motivations that drive every living organism. First is our survival and second is being able to procreate. Whether it is grass or pine trees or lighting bugs or us, humans, these are the two principles that control our behavior. Survival is fairly simple for grass and bugs and pine trees, either the environment is right or its death. We all understand the need to get enough food and shelter and protection from everything outside our immediate survival circle. Survival for us homo-sapiens is really interesting. In today’s environment which we try to manipulate, we realize that success depends on convincing those near our survival circle to accept our behavior as not a threat to their survival or their getting into the gene pool.

Once our species got beyond a fully stocked pantry and refrigerator, a roof that did not leak, and an escape vehicle or two, we developed behavior modifications. Over time we set up moral codes and laws i.e. the Ten Commandments, Hammurabi’s code etc. to control behavior and keep peace with those close to our survival circle. Our societies devise efforts to see that those who do not have enough, get just enough to keep them from coming after the stash of those of us with more than enough. “What is enough”? How can I be sure I will always have enough? Will my progeny have enough?

Protecting the outcomes of the. “What is Enough” questions makes greed really dangerous. Since our view of others and others view of us is important to surviving, we are very sophisticated and devious in our methods. Over generations those with the Lucre decided they needed Lawyers and Lobbyist. Ipso facto, Freedom of Speech became equated with freedom to buy and freedom to spend.

Government cannot end our greed but it has made efforts to control it. Greed is not all bad. It causes us to take risk and it is risk that the make more of the stuff we are greedy about. However those with the 3 “Ls” Lucre, Lawyers, and Lobbyist have been campaigning for generations

that Mankind is basically good, God fearing and righteous without need of expensive government bureaucratic methods to control greed and squash creativity. Besides, the Three “Ls” make good donors.

Your Nirvana is only a temporary state and will not last very long unless we Stamp Out SI, Surreptitious Incrementalism, which is greed’s latest edition. It is the sophisticated shroud hiding actions that negatively affect others who do not know they have are being affected. The attack is circuitous, done through surrogates. SI is tiny reductions in value or additions to costs for thousands of people who generally too busy to notice. It is finder’s fees and hidden commissions. The cost of your mortgage is more because it is sold multiple times and ends up owned by hundreds of banks owned by thousands of people. It is your share of the bonus paid to the bank officials who’s bank lost money? It is the miniscule insertion in a tax law that allows stuff made on a tiny distant island by quasi slaves to be sold as made in America.

Our Financial system is based on SI, surreptitious, circuitous fees paid for transactions that you know nothing about that incrementally affect the value of your stuff. We unconsciously are paying bright young people on Wall Street to devise ways to make money letting lots of greedy people think they are going to make money while others, us included are left holding the bag. These brains are rewarded NOT FOR INCREASING THE CAPACITY OF OUR ECONOMY TO MAKE THINGS AND PROVIDE NEW SERVICES BUT JUST TO COLLECT MORE INCREMENTAL FEES. Your piece is so small you never know is missing.

So to be sure you got your Nirvana and enjoy it for a while, government must convert all that wasted energy into real capacity to generate jobs making and delivering more stuff and services at reduced cost that hire lots of potential tax payers.

When I tried to explain this to the little old lady with cats who was packing to move because her landlord refinanced and could not pay both mortgages, she said, “You have too much free time”

The opinions expressed by the columnists are the authors and not necessarily shared by the Executive Committee or the members of the OCCD.

Disparities in Mortgage Lending Housing

Research & Advocacy Center prepared a report on “Persisting Racial and Ethnic Disparities in Ohio Mortgage Lending” This report examines mortgage lending applications and originations, in 2007, for the State of Ohio and its seven largest metropolitan statistical areas (MSAs) – the Akron, Cincinnati, Cleveland, Columbus, Dayton, Toledo, and Youngstown MSAs – to determine if there are racial and/or ethnic disparities in who is denied mortgage loans and, for those who obtain loans, who receives “high-cost” loans.

The data reveal continuing disparities in mortgage lending based on both race and ethnicity. Moreover, an examination of the income levels of applicants reveals that these disparities exist regardless of income.

Statewide, the overall amount of mortgage lending decreased considerably over the last three years, from 1.16 million loan records reported in 2005, to 1.03 million in 2006, and 774,401 in 2007. However, a significant racial and ethnic disparity remained persistent during this period. The data reveal that African Americans and Hispanics/ Latinos continued to have limited access to fair and equal credit. Both racial and ethnic groups face higher denial rates and high cost lending rates than whites in the State of Ohio and in all of the MSAs that the Housing Center studied.

Disparities in denial rates continued to increase in 2007, following the trend of the last two years. In 2005, *upper income* African Americans were denied home purchase loans 25.20% of the time, which is just slightly less than *low income* whites who had a 27.30% denial rate. In 2006, this disparity grew, as upper income African Americans were denied home purchase loans at a *higherrate*, 31.56%, than low income whites, who were denied 27.37% of the time. In 2007, this racial disparity increased even further, as upper income African Americans were denied at *higherrates* than low income whites for both home purchase and refinance loans.

Statewide, *upper income* African Americans were denied home purchase loans 32.86% of the time, compared to a 27.84% denial rate for *low income* whites. For refinance loans, *upper income* African Americans were denied loans 54.42% of the time, compared to a 53.39% denial rate for *low income* whites.

For more information contact Jeffrey D. Dillman (216) 361-9240 or go the their web site www.thehousingcenter.org

2009 National/Ohio Fair Housing Month Celebrated

by Joyce Hill, Civil Rights Specialist OHCP, ODOD

On April 11, 2008, President Lyndon Johnson signed the Civil Rights Act of 1968, also known as the Fair Housing Act. In 1988, the law was expanded to prohibit discrimination in housing based on handicap and familial status, provide for monetary penalties for housing discrimination and establish design and construction requirements for new multi-family dwellings.

In honor of the enactment of the federal Fair Housing Act, as amended, April is annually declared Fair Housing Month nationally and in Ohio. Fair Housing Month is a time to celebrate the progress we've made in opening the doors of housing opportunity, regardless of race, color, gender, nationality, religion, familial status, or disability; and in Ohio, ancestry and military status. It should also be at time to acknowledge the challenges that still remain, and collectively commit to finding viable solutions to those challenges.

According to the National Fair Housing Alliance's (NFHA) **2008 Fair Housing Trends Report**, America is still far from achieving the balanced and integrated living patterns envisioned by the original Fair Housing Act's authors. Most Americans still live in communities largely divided by race and ethnicity. Forty years after the passage of the Fair Housing Act, there are at least four million instances of discrimination each year against African-Americans, Latinos, Asian Americans, and American Indians in rental and sales markets every year. It is crucial, however, to point out that this estimate of annual aggregate fair housing violations is extremely conservative. It does not reflect discrimination against persons with disabilities—the group that files the highest number of complaints with the U.S. Department of Housing and Urban Development each year—or discrimination on the basis of religion, sex, color, familial status or other ethnicities. It also does not reflect discrimination in the following areas: lending, insurance, planning, and zoning or racial and sexual harassment. The number does not include instances of linguistic profiling (discrimination on the telephone), discrimination via the internet, or discrimination when applications are filed or when people already occupy a residence. The entire NFHA report is available at www.nationalfairhousing.org.

In February 2009, Attorney General Eric Holder, the first African American to be appointed to the office, delivered a somewhat sobering speech to U.S. Department of Justice employees. While praising significant achievements in our country's racial history, he noted that there is “no significant interaction” between people of different races outside the workplace, and that “on Saturdays and Sundays, America in the year 2009 does not, in some ways, differ significantly from the country that existed some fifty years ago.” His entire speech is available at <http://www.usdoj.gov/ag/speeches/2009/ag-speech-090218.html>.

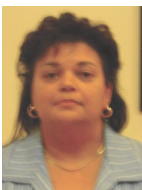
The Ohio Department of Development's Office of Housing and Community Partnerships (OHCP) encourages Ohio community leaders to proclaim April Fair Housing Month in their communities and undertake special efforts to inform the public about their rights under federal, state and local fair housing laws. By observing Fair Housing Month, communities can demonstrate a commitment to keeping the doors of equal opportunity open; pledge to vigorously enforce fair housing laws to assure equal treatment of all Ohioans; take affirmative steps to remedy past discrimination; and provide citizens with the knowledge that all people have a real opportunity to live in decent, affordable housing in their community.

For more information regarding Ohio's Fair Housing Celebration, please contact Joyce Hill, OHCP Civil Rights Specialist, by telephone at (614) 466-2285 or by e-mail at joyce.hill@development.ohio.gov.

Web Scam

There is a deceptive website out there that is posing as HUD. This website is deliberately deceiving by public by using the HUD name in the web address as well as on the website. The website tries to dupe people into giving out personal information (known as “phishing”) - and because they've made their site appear to be an “official U.S. Government website”, some people may fall prey to this scam.

The fraudulent website is: <http://bailout.hud-gov.us/>



The HUD Report

Submitted by: Jorgelle R. Lawson
CPD Director
U.S. Dept. of HUD

Ohio's Bipartisan Job Stimulus Plan

Spring is in full swing and we are now looking forward to summer. The CPD Columbus Field Office is extremely busy. In my 30 years with HUD, I have never seen a busier period. While I say busy, busy, busy, I also have to say money, money, money!!! NSP1 funds are now in your LOCCS accounts, with NSP2, additional 2008 CDBG funds, ESG Homeless Prevention funds, and HOME tax credits on their way to your accounts. Up-to-date guidance on all of these programs will be discussed and distributed at the Spring OCCD Conference as well as Funding for FY-2009.

Staffing updates: On Thursday, January 22, the U.S. Senate unanimously confirmed Shaun L. Donovan to be Secretary of HUD.

As part of the NSP2, funding has been allocated for CPD to hire term employees. The number for CPD in the Columbus Field Office has not yet been determined. We do know that the announcement will be made to the general public and the term will be 3 years. There will be more information to come when available.

Following are a few updates from the Columbus CPD Office:

Summary of New Programs: NSP2 - \$2 billion for a second round of funding for the Neighborhood Stabilization Program (NSP). This round includes major changes that will affect NSP1, and others will only apply to the second NSP2.

Community Development Block Grants Recovery Fund: \$1 billion - Funding for CDBG is one of the fastest ways to get dollars in the hands of local governments for critical housing, services, and infrastructure needs. The funding provided in this legislation will be distributed through the existing formula for expediency and is required to adhere to an accelerated timeframe. These dollars will help to support community services, will provide infrastructure dollars for local governments, and will help to stem the number of foreclosures in local communities.

HOME Program Recovery Fund: \$1.5 billion - HOME is a very flexible source of dollars for local jurisdictions, and funding provided through this account will help to rehabilitate and construct housing, as well as fill financing gaps caused by the credit freeze. There are thousands of ready-to-go housing projects that have been stalled due to the economic crisis. HOME will serve as a financing mechanism to fill the gaps left by the private market and will spur construction jobs in the hard-hit homebuilding industry. Funds are distributed by formula. These dollars will also be focused on building sustainable, low-income units, thereby encouraging the use of green technologies in affordable home construction. This money will only be issued to State Housing Finance Agencies for tax credit projects.

Emergency Shelter Grants Recovery Fund: \$1.5 billion - As foreclosure and unemployment rates continue to rise, many families are in danger of becoming homeless. To prevent a surge in homelessness, funding through the Emergency Shelter Grant (ESG) Program will provide short term rental assistance, housing relocation, and stabilization services for homeless families and those at risk of homelessness. It is estimated that \$1.5 billion may prevent 300,000 households from becoming homeless. These funds will be distributed by formula for fast, efficient assistance to families.

IDIS Conversion: The IDIS re-engineering is slowly progressing. While no definite date has been announced for the conversion to start, we are hoping it will take place in the next couple months.

Other Funding: Lead-Based Paint Hazards Recovery Funding: \$100 million - Funding will be awarded competitively to states and local governments to evaluate and reduce lead-based paint hazards in low-income housing and to nonprofit organizations to leverage private sector resources to eliminate lead poisoning as a public health threat to children. The remediation of lead-based



paint in housing requires rehabilitation work and will create jobs in the construction industry, as well as reduce the threat to low-income children.

OMB identifies new metropolitan areas and principal cities: On November 20, 2008, the Office of Management and Budget published their annual list of changes to metropolitan statistical areas. The Federal Register notice is available on OMB's website at: <http://www.whitehouse.gov/omb/bulletins/fy2009/09-01.pdf>

The following blurbs come from the Rural Community Developers Network Reporter:

Fannie Mae's Housing Trust Fund allocations suspended. The National Low Income Housing Coalition says the Federal Housing Finance Agency suspended Fannie Mae's allocations to the fund that is slated to support the National Housing Trust Fund starting in 2010. Go to http://www.sec.gov/Archives/edgar/data/310522/000129993308005442/htm_30041.htm.

The Impact of State Income Taxes on Low-Income Families in 2007. The Center on Budget and Policy Priorities reports that many states tax working poor families deeper into poverty. In 18 of the 42 states that levy income taxes, families earning less than \$21,206, the federal poverty level for a family of four, are taxed. Read the report at <http://www.cbpp.org/10-29-08sfp.htm>.

Housing expenses growing faster than incomes. A study by the Center for Housing Policy found that between 1996 and 2006, all the major categories of homeowners' expenses increased faster than incomes. *Stretched Thin: The impact of Rising Housing Expenses on America's Owners and Renters* is free at <http://www.nhc.org/index/stretchedthin2008>.

As I end every article, please continue to check your e-mails for updates from my office. If there are any changes in e-mail addresses, please let your CPD Rep or Myrna Cokes know as soon as possible.



FAIR HOUSING MONTH APRIL 2009

WE COULD LEARN A LOT FROM A BOX OF CRAYONS

Some are sharp, some are pretty and some are dull. Some have weird names and all are different colors—but they all have to live in the same box.



Legislation . . . In the News



By: Pamela I. Hanover, Chair
OCCD Legislative Committee

The following is a summary of recent General Assembly activity relating to economic development matters through March 10, 2009.

LEGISLATION RECENTLY ENACTED

Senate Bill 277 (Governor signed January 6, 2009; effective April 7, 2009.) This Bill establishes a cause of action for a municipal corporation in municipal court, if an environmental division of the municipal court has been established, to foreclose any existing liens on a blighted parcel located in the municipal corporation, provided that no other foreclosure action for that parcel is pending. If a judicial sale of the blighted parcel is ordered, the proceeds of the sale generally would be distributed according to priorities established by law. However, if a taxing authority waives its rights to collect delinquent taxes or fails to timely respond to a request, the property may be sold at judicial sale free and clear of such lien, unless the property is sold to a lienholder of the property.

Senate Bill 353 (Governor signed January 6, 2009; effective April 7, 2009.) This Bill authorizes a county with a population exceeding 1.2 million to form a nonprofit county land reutilization corporation (CLRC) to promote economic and housing development and to facilitate the reclamation, rehabilitation and reutilization of vacant, abandoned, and foreclosed properties. The board of a CLRC consists of at least five members, including the County Treasurer, at least two members of the Board of County Commissioners, and two members selected by the County Treasurer and the members of the Board of County Commissioners serving on the CLRC board and approved by a majority of chief executives of the municipal corporations located mostly in the county.

The CLRC operates as a type of community improvement corporation under Revised Code Chapter 1724. In addition to establishing the powers of the CLRC, the Bill expands the authority of existing community improvement corporations. The Bill also provides authority for the county to provide funding to the CLRC, including by issuing special obligations secured by a pledge of the collection of delinquent taxes, by entering into lines of credit, or from certain appropriated county funds. A county-wide voted

tax levy also could fund CLRC operations.

A municipal corporation may enter into an agreement with the CLRC for the CLRC to act as its agent to remove or repair hazardous conditions and nuisance buildings. The Bill also revises the expedited, nonjudicial foreclosure procedure for abandoned lands.

In addition, this Bill requires all port authorities to prepare plans for future development and facilities, including the location and character of work and a description of all related financings, leases, tax abatements, tax increment financing and other financial incentives and assistance. The port authority is required to give or serve notices and hold public hearings on those plans and on any amendments.

House Bill 138 (Governor signed June 11, 2008; effective September 11, 2008.) This Bill changes the procedures related to judicial sales of property to, among other things, ensure that deeds in foreclosure proceedings are promptly recorded. The Bill further authorizes certain political subdivisions to purchase tax delinquent vacant land or abandoned or nonproductive lands if the taxes and charges exceed the County Auditor's market value, without appraisal or foreclosure sale. Further, properties that under current law are forfeited to the State after failure to find a purchaser in foreclosure could be transferred to a political subdivision upon election, after notice.

House Bill 359 (Governor signed June 27, 2008; effective September 30, 2008.) This Bill extends to all counties with a population greater than 100,000 the authority to use up to \$3 million of surplus delinquent tax collections to demolish or facilitate nuisance abatement of foreclosed residential buildings upon application by municipal corporations or townships. The prosecuting attorney also may use the funds to pay costs of prosecuting alleged violations of criminal and civil laws governing real estate related transactions, including fraud and abuse cases.

House Bill 420 (Governor signed on December 30, 2008; most provisions effective on December 30, 2008), among other things, expands the scope of municipal energy conservation projects and removes the 10 year limitation

on the maturity of general obligation debt issued for municipal energy conservation projects. The maturity of such general obligation debt would instead be based on the fiscal officer's estimate of the estimated life or period of usefulness of the permanent improvements funded.

LEGISLATION PASSED BY THE HOUSE

House Bill 6 (Introduced February 17, 2009; passed by House March 3, 2009; introduced in Senate March 5, 2009.) This Bill authorizes the Director of Development to award a refundable tax credit against both the corporation franchise tax and the income tax equal to 25% of eligible costs of the production of motion pictures in Ohio, including, among other things, movies, videogames, commercials, and television series episodes. Tax credit certificates would be awarded in the discretion of the Director of Development to eligible motion picture productions. No more than \$10 million in aggregate credits will be allowed in the first year. Productions must have eligible expenses in Ohio of \$300,000 or greater to qualify for the credit and the credit could be claimed by the production only upon its completion.

LEGISLATION PASSED BY THE SENATE

Senate Bill 9 (Introduced February 10, 2009; passed by Senate March 3, 2009; introduced in House March 4, 2009.) Like House Bill 6, this Bill would authorize a tax credit related to the production of motion pictures. This Bill's definition of motion pictures differs slightly from the definition in House Bill 9. This Bill also differs in that, among other things, it makes the credit available to the investor or pass-through entity rather than the production company. The tax credit under this Bill would be transferable and nonrefundable. The Bill also provides a higher cap than House Bill 6.

LEGISLATION INTRODUCED IN HOUSE

House Bill 1 (the State Budget Bill) (Introduced February 12, 2009; hearings are continuing in the Finance Committee.) This Bill is over 3,000 pages. In addition to providing changes to the method of funding of public schools and providing for the imposition of certain fees, among many other changes, this Bill amends the State's Job Creation Tax Credit Program by measuring the increased withholding taxes from new employees by a base year concept and by providing that the employer must remain at the project location for the greater of seven years or the term of the credit plus three years (in-

stead of twice the number of years of the credit). The Bill also amends provisions of the State's Job Retention Tax Credit Program to likewise change the method of measurement of withholding taxes and to lower the employee and investment thresholds. In addition, the Bill amends the State's Capital Access Loan Program and authorizes a refundable tax credit related to the production of motion pictures.

The Bill also authorizes a non-refundable tax credit for financial institutions or insurance companies holding a qualified equity investment. A qualified equity investment for this purpose is a security issued by a qualified community development entity making a qualified low-income community investment. This would be a State new market tax credit program related to the federal new market tax credit program.

House Bill 3 (Introduced February 17, 2009; first hearing in Housing and Urban Revitalization Committee on February 25, 2009.) This Bill declares a six-month moratorium on the hearing of residential mortgage foreclosure complaints, the issuance of judgments in such claims, and the issuance of writs of execution against, or the auction of, properties subject to such claims. The Bill provides new measures to keep borrowers in their homes following foreclosures, and requires that mortgage servicers give certain notices to borrowers prior to filing a complaint. The Bill directs the Director of Commerce to track information regarding residential mortgage foreclosures, and to implement a comprehensive loan modification program intended to keep borrowers in homes that are their principal residences. In addition to various registration and other requirements applying to mortgage servicers, the Bill establishes a Foreclosure Prevention Revolving Trust Fund, to be used for, among other things, grants to individuals and to counseling entities for the purpose of providing emergency foreclosure prevention assistance loans, and loans and grants to government and nonprofit entities to provide relocation assistance or acquire mortgage loans or properties from creditors in order to restructure the loans or restore the properties to productive use.

House Bill 9 (Introduced February 17, 2009; referred to the Finance Committee.) This Bill would require the landlord of any residential rental property to provide tenants with a specified notice if the property becomes subject to a foreclosure action. The Bill further provides that, upon a court's approval of a sale at auction of the rental property, the tenant's rental agreement converts to a month-to-month lease.

LEGISLATION INTRODUCED IN SENATE

Senate Bill 13 (Introduced February 10, 2009; first hearing in the Judiciary Committee on February 25, 2009.) This Bill would, among other things, require the clerk of courts to send a notice by ordinary mail to the residents of any property that is subject to a foreclosure action, and require the landlord of residential rental property subject to a foreclosure action to give written notice of the action to the tenants. The Bill further would allow tenants of property subject to a foreclosure action to end their rental agreements, and convert any rental agreements on such property to a month-to-month lease upon the court's approval of sale.

Senate Bill 46 (Introduced February 10, 2009; referred to the Judiciary Committee.) This Bill provides that no tenant of residential property that is subject to a foreclosure action may be forced to vacate the property before the earlier of the rental agreement's expiration on its own terms or ninety days after the court's confirmation of sale of the property under the State's foreclosure statute.

Senate Bill 53 (Introduced February 17, 2009; first hearing in the Finance Committee on February 24, 2009.) This Bill authorizes the establishment by the Director of Commerce of a state-wide residential foreclosure tracking system, and generally requires each clerk of court to assign tracking numbers to residential mortgage foreclosure actions filed in that court, to record certain information regarding the foreclosure filing, and to make quarterly reports to the Director of Commerce.

Senate Bill 70 (Introduced March 10, 2009.) This Bill would authorize the use of funds derived from the sale of urban renewal bonds for the demolition of buildings located on tax delinquent property that constitute a public nuisance due to blight.

Senate Bill 76 (Introduced March 10, 2009.) This Bill would establish in the Department of Development a program to, among other things, provide grants of up to \$20,000 to qualified homeowners for the cost of lead hazard removal. A qualified homeowner is one who owns and resides in a single-family home with a minor and who meets certain other conditions including having an income of 200% or less of the federal poverty guideline.

COMPARISON OF 2008 AND 2009 NEIGHBORHOOD STABILIZATION PROGRAMS

DRAFT 3/4/2009

ODOD Highlights



Department to Introduce Check Ohio First Initiative

Check Ohio First, a major new initiative through the Entrepreneurship and Small Business Division of the Ohio Department of Development, is designed to encourage companies to maximize the use of Ohio businesses when making purchases – taking the “buy local” effort statewide. Check Ohio First is one of the many initiatives that help us fulfill our mission to change the trajectory of Ohio’s economy, and bring prosperity to Ohioans. The initiative focuses on growing and supporting small businesses, including minority, economically disadvantaged, veteran, and women-owned businesses.

Check Ohio First involves an on-line directory of Ohio businesses that enables purchasing and sourcing agents to identify potential vendors, and offers Ohio small businesses the opportunity to be considered for a wider variety of business solutions. Additionally, the Department is collaborating with state, national, and regional partners to sponsor in-person matchmaker events, where small businesses have the opportunity to meet one-on-one with both private and public purchasing officers representing hundreds of millions of dollars worth of procurement opportunities.

The Check Ohio First Web site will link to the Ohio Business Gateway, a time- and money-saving online filing and payment system that helps simplify business’ relationship with government agencies. The Web site will allow visitors to post and email procurement opportunities, as well as link to large-business procurement sites.

Stakeholder collaborations between various types of businesses, state agencies, economic development organizations, universities, and local government entities will be a major component of Check Ohio First. Small business counseling will continue to be offered through the Small Business Development Centers as well as procurement-related education and counseling for small businesses through the Procurement Technical Assistance Centers throughout Ohio.

For more information on Check Ohio First and other Ohio Department of Development initiatives, please visit www.development.ohio.gov.

The American Recovery and Reinvestment Act (ARRA), signed by the President on February 17, 2009, provides \$2 billion for a new Neighborhood Stabilization Program (NSP II) based on the program that was originally enacted in 2008 (NSP I). The new program differs in several ways from the original program, and the Act made some changes that apply to both NSP I and NSP II. This document provides an overview of the changes that we are currently aware of. We will continue to provide clarifications as new information becomes available.

Changes applying to both programs:

- **Program Income:** ARRA repealed the special requirements for reinvestment of profits that had been in place for the original NSP, so these rules do not apply to either NSP I or NSP II. Rather, the standard CDBG program income rules now apply.
- **Land Banks:** ARRA amended NSP to permit costs involved in the operation of land banks (previously only establishing a land bank was eligible) and their use for foreclosed “residential properties” (in addition to “homes” - see below).
- **Redevelopment:** While NSP allows blighted or vacant nonresidential properties to be demolished or redeveloped for residential or nonresidential use, ARRA requires that redeveloped demolished or vacant properties be used only for housing purposes. This change appears to apply to both NSP I and NSP II, although there is some uncertainty in the statute and HUD is awaiting a determination from the Office of General Counsel.
- **Section 8 Tenant protections:** No recipient of NSP funds (either grants or loans) may refuse to lease an NSP-assisted home to a Section 8 recipient because of the tenant’s participation in the Section 8 program. Purchasers of homes with an existing Section 8 tenant must honor the lease and the housing assistance payments contract.
- **90-Days Notice for Renters:** Tenants in foreclosed homes purchased with NSP funds must receive 90 days notice to vacate the property, and those with bona fide leases will have the right to remain through the end of their lease unless the purchaser will occupy the unit as a primary residence.

2008 Housing and Economic Recovery Act (HERA)

	Neighborhood Stabilization Program (NSP I)	2008 American Recovery and Reinvestment Act (ARRA) Neighborhood Stabilization Program (NSP II)
Total Funds Available	• \$3.92 Billion	• \$2 Billion
Eligible Uses (changes are underlined)	<ul style="list-style-type: none">• (A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;• (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;• (C) establish <u>and operate</u> land banks for homes <u>and residential properties</u> that have been foreclosed upon;• (D) demolish blighted structures;• (E) redevelop demolished or vacant properties as <u>housing</u>¹.	<ul style="list-style-type: none">• For the same purposes as NSP I with the following changes:<ul style="list-style-type: none">◦ No funds may be used to demolish public housing.◦ No more than 10% may be used for demolition activities unless the HUD Secretary determines the use represents an appropriate response to local market conditions.◦ In addition to other eligible uses, HUD may use 10% of funds for capacity building and support (see below).
Allocation Criteria	<ul style="list-style-type: none">• Allocated by formula to all states, with a minimum of \$19.6 million per state. In states with formula allocations of greater than \$19.6 million, the remaining funds are allocated between CDBG entitlement communities, urban counties, and the balance of the state according to relative need.	<ul style="list-style-type: none">• Competitive allocations with the following criteria:<ul style="list-style-type: none">◦ Areas with the greatest number and percentage of foreclosures;◦ Grantees that can expend funding within the period allowed;◦ Demonstrated grantee capacity to execute projects;◦ Leveraging potential;◦ Concentration of investment to achieve neighborhood stabilization; and◦ Other factors HUD may require.
Eligible Grantees	• States and units of general local government.	<ul style="list-style-type: none">• States, units of general local government, nonprofit entities and consortia of nonprofit entities.• Grantees may submit proposals in partnership with for-profit entities.
Planning, Administrative, Technical Assistance, Capacity Building Funds	<ul style="list-style-type: none">• Grantees may use up to 10% of their grants and 10% of program income for planning and administrative costs.• States may use NSP funds within this 10% to provide technical assistance to local governments and nonprofit program participants.	<ul style="list-style-type: none">• Up to 10% of NSP II funds (\$200 million) may be used for “capacity building of and support for local communities receiving funding” under either NSP I or NSP II.• These funds may involve a separate application process from the main competitive allocation of the remaining \$1.8 billion or more, although details are still unclear.• HUD may decide to allow administrative, planning, and technical assistance as in NSP I.
Timing of Application and Approval Process	<ul style="list-style-type: none">• HUD has approved grantee plans and will be signing all grant agreements between late February and the end of March 2009.	<ul style="list-style-type: none">• HUD is required to announce competitive criteria within 75 days of enactment (early May 2009), and applications are due no later than 150 days after enactment (July 17, 2009).• HUD shall obligate all funding within 1 year of enactment.
Timing of Use of Funds	<ul style="list-style-type: none">• All funds must be obligated within 18 months of the time HUD signs the NSP grant agreement (for most this will be the end of September 2010).	<ul style="list-style-type: none">• Grantees shall expend at least 50% of allocated funds within 2 years of receipt, and 100% within 3 years.

¹ Application on this limitation to NSP I is pending final determination by HUD>

Additional NSP Resources:

HUD’s NSP Website: <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>
National Foreclosure Prevention and Neighborhood Stabilization Task Force: <http://www.nhcopenhouse.org/2008/08/foreclosure-prevention-and-neighborhood.html>
LISC’s Foreclosure Response partnership with the Center for Housing Policy, KnowledgePlex, and The Urban Institute: <http://www.foreclosure-response.org/>

Calendar of Events

COHHIO Annual Housing Conference

April 20-22, 2009
Hyatt on Capital Square
Info: 614.280.1984 or
www.cohhio.org/conference.php

The Ninth Annual Multiple Perspectives on Access, Inclusion & Disability: Change, Challenge, & Collaboration

April 28 and 29, 2009
The Ohio State Univ.
Columbus Campus
Additional Info. & Program Updates
<http://ada.osu.edu/conferences>

Work Specification and Cost Estimating: Getting it Right the First Time

May 5-6, 2009
Ohio CDC
Crowne Plaza Hotel -Columbus
Info: Amy Griffith, 614.461.6392 x. 204

Local Economic Impacts on NSP Implementation And Adoptive Strategies for Successful Activity Initiatives - Adjusting Our Programs to Changing Economic Conditions

May 5, 2009
OCCD
Concourse Hotel -Airport
Registration: Karen Nelsch 330.923.0265
Training Info: Debra Mayes
937.215.5872

OCCD Spring Quarterly Meeting

May 6 & 7, 2009
Concourse Hotel-Airport
Registration: Karen Nelsch 330.923.0265
Training Info: Debra Mayes
937.215.5872

Basically CDBG – (testing only)

May 7, 2009
OCCD
Registration: Karen Nelsch 330.923.0265
Training Info: Debra Mayes
937.215.5872

2009 Ohio Brownfield Conference

May 12-14, 2009
Wilmington, Ohio
Info: derrwebmail@epa.state.oh.us

Basic Compliance Training for the Housing Credit Program

OHFA
May 14, 2009
Info: Burgess at 614-995-0306 or
compliance_training@ohiohome.org

Construction Management: Staying on Track

June 1-2, 2009
Ohio CDC
Crowne Plaza Hotel -Columbus
Info: Amy Griffith, 614.461.6392 x. 204

Basic Compliance Training for the Housing Credit Program

June 11, 2009
OHFA
Info: Burgess at 614-995-0306 or
compliance_training@ohiohome.org

Basic Compliance Training for the Housing Credit Program

July 9, 2009
OHFA
Info: Burgess at 614-995-0306 or
compliance_training@ohiohome.org

OCCD Summer Annual Meeting

July 29 & 30, 2009
Concourse Hotel -Airport
Registration: Karen Nelsch 330.923.0265
Training Info: Debra Mayes
937.215.5872

Asset Manager Certification

Ohio Capital Corporation for Housing Asset Manager Certification

Contact Melanie Shapiro at
614.224.8446 for more
information

Nonprofit Housing Management Specialist

June 8 – 12th, 2009

Financial Tools for Asset Managers

October 5-7, 2009

Affordable Housing Development

February 9-11, 2010

Advanced Housing Asset Management

April 12-16, 2010

*Certification requires attendance at all sessions

Vacancy & Abandonment: Tackling the Problem

prepared by the Federal Reserve Bank of Cleveland

Lima: the road to recovery In some sections of Lima, Ohio, it is easier to find an empty house than one with occupants. One block of Baxter Avenue is typical: Plywood covers the doors and windows of three modest brick houses in a row: across the street weeds litter a vacant lot.

The homes; said neighbor Michael West, have been empty “forever and day”. West doubts they will ever again hold occupants. The interiors are rotting, he said, and it would “take a millionaire to fix them up. I wonder why they haven’t been torn down yet” The problem is not new in Lima. It dates back to at least the 1980s when the city’s bedrock manufacturers began shuttering factories. As the jobs left; so did the residents. From a population of 53,000 in the 1960s, the city has shrunk to 38,000 today. Simply stated, Lima doesn’t need all its houses.

That is all the more true with the current foreclosure crisis, which has exacerbated the abandonment problem. City officials estimate that at least 15 percent of Lima’s houses are abandoned, or some 1,900 residential properties out of nearly 13,000. That figure doesn’t include hundreds of other empty homes whose owners have made efforts to suppress obvious signs of vacancy-weeds, dumped furniture, and shattered glass-to avoid vandalism and preserve their properties for potential reuse.

“We keep getting more units that are vacant, and that has a multiplying effect.” said Amy Sackman Odum, Lima’s community development director. “These properties become more difficult to sell and there’s a further decline in property value.”

Driving along some blighted blocks of Lima, Amy Sackman Odum is still upbeat. A vacant lot is an opportunity for “commercial infill”. A row of boarded-up houses sits on what could be prime park land. And here is New Lima, a once-teetering neighborhood that now is promising.

Old, abandoned houses have been torn out and new one erected in their place. New Lima is the city’s largest tax-credit site, featuring 32 single-family homes available with 15-year lease-purchase agreements. All prospective buyers must undergo pre-mortgage counseling.

It took time and some doing to effect change. Lima didn’t even have a property maintenance code until 1982, and it wasn’t until 1993 that people were hired to enforce it. Today,

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the Community Development Department has split the city into four sectors, each with an inspector assigned to inventor properties constantly. No longer does the city rely on complaints to be notified of vacancies.

In the past two years alone, Lima has made significant strides in coordinating its data collection efforts. The city has

developed a harmonized effort-involving improved communications between departments ranging from police to code enforcement-to systematically identify vacant properties and keep tabs on them.

Said Odum. “Knowledge is power when dealing with vacant and abandoned properties.”