

NEIGHBORHOOD STABILIZATION PROGRAM

<u>Program</u>	<u>Description</u>	<u>Goals</u>	<u>2011 NSP3 Budget</u>	<u>Very Low Income Benefit</u>	<u>Other Public Funds</u>	<u>Private Funds</u>	<u>Total Project Cost</u>
<u>Projects</u>							
Habitat Rehabilitation and Resale Program	Acquisition, interior demolition and exterior repair by the City of Omaha and rehabilitation, resale and no interest mortgage financing by Habitat for Humanity of Omaha of 4 vacant abandoned or foreclosed-upon single-family houses in the neighborhoods bounded by Lake, 30th, Hamilton and 40th Streets.	4 units	\$300,000	\$300,000	\$0	\$200,000	\$500,000
Clark Villas Infill Housing	Site preparation and the construction of 10 new single-family houses and deferred payment loans to qualified homebuyers by the City of Omaha on vacant City-owned property at 1620 Clark Street.	10 units	\$765,000	\$0	\$1,135,000	\$0	\$1,900,000
Sub-Total		14 units	\$1,065,000	\$300,000	\$1,135,000	\$200,000	\$2,400,000
				28%			
<u>Program Administration</u>	Personnel, non-personnel and indirect costs.	-	\$118,085	-	-	-	\$118,085
Sub-Total			\$118,085	-	-	-	\$118,085
<u>Total NSP3 Program</u>			\$1,183,085	\$300,000	\$1,135,000	\$200,000	\$2,518,085

Clark Villas New Infill Housing Program

The Clark Villas New Infill Housing Program (Program) is the redevelopment of a vacant property into a new 10-unit development in the Grace Plaza Redevelopment Area. This Program meets several important goals of the Neighborhood Stabilization (NSP3) Program. First, the target neighborhood, located within the North Omaha Neighborhood Revitalization Strategy Area, has a NSP foreclosure need score of 18. Second, rehabilitation and infill housing programs together with City property maintenance code enforcement activities are targeted to this neighborhood. Third, all units will be affordable to households with incomes at or below 120% of the area Median-Family Income.

The 36,500 square foot vacant property at 1620 Clark Street is owned by the City of Omaha and is served by the existing utility and street infrastructure systems. The property will be platted into a 10-lot subdivision. The houses will be 1,500 square foot, two-story three-bedroom single-family detached houses. The scale and design of the new houses will blend in with the housing developments to the north and west and will be compatible with other housing in the neighborhood. The houses will be of quality construction with designs requiring minimum exterior maintenance. All homes will meet applicable Omaha Building Code and International Energy Conservation Code requirements and will meet the standard for Energy Star Qualified New Homes. The City will competitively bid and contract with a private contractor for preparation of the site and the construction of 10 new houses.

The sale price of the houses, as determined by an appraisal, is projected to be \$150,000. All 10 units will be affordable to Low Moderate and Middle Income (LMMI) households with incomes at or below 120% of the area Median-Family Income. Four units will be reserved for households with incomes at or below 80% of the area Median-Family Income. The City will affirmatively market and sell the new houses using a private real estate firm.

Upon sale of the houses, qualified homebuyers will receive downpayment and/or closing cost assistance and mortgage financing in the form of \$50,000 to \$60,000 deferred payment second mortgage loans from the City of Omaha. Omaha 100, a nonprofit mortgage intermediary, will underwrite and process the City second mortgage loans and has access to affordable private first mortgage financing and downpayment assistance grants. Family Housing Advisory Services, a HUD-certified housing counseling agency, will provide required homebuyer education to purchasers and will provide housing counseling services as needed during the term of the City loan. The City of Omaha "Resale/Recapture Provision" for the HOME Program will be used to ensure affordability.

The financing for the project will include \$765,000 in Neighborhood Stabilization Program funds and \$1,135,000 in other City, State and Federal funds. The City of Omaha will contribute land for the houses.

Habitat for Humanity of Omaha Rehabilitation and Resale Program

The Habitat Rehabilitation and Resale Program (Program) is a partnership between the City of Omaha and Habitat for Humanity of Omaha (Habitat) to stabilize the Prospect - Orchard Hill Neighborhood, bounded by Lake, 30th, Hamilton and 40th Streets. This Program meets several important goals of the Neighborhood Stabilization Program (NSP). First, the target neighborhood, located within the North Omaha Neighborhood Revitalization Strategy Area, has a NSP foreclosure need score of 17.99. Second, homeowner and rental rehabilitation programs and infill housing programs together with City property maintenance code enforcement activities are targeted to this neighborhood. Third, the Program is specifically designed for, and the houses will be sold to, households at or below 50 percent of the area Median Family Income.

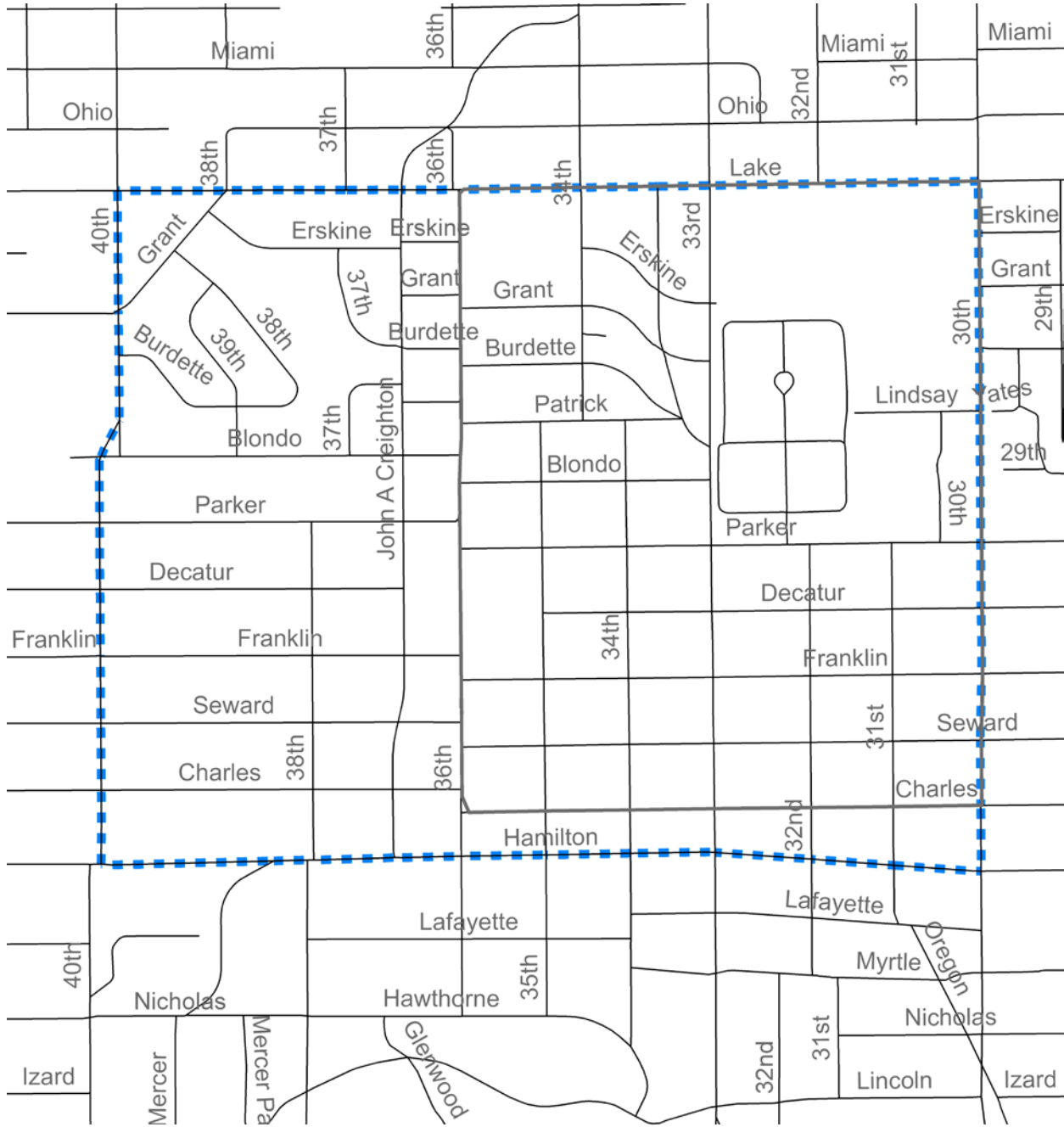
The City of Omaha will acquire 4 vacant abandoned or foreclosed upon houses within the target neighborhood in consultation with Habitat. Prior to acquisition, preliminary inspections will determine the feasibility of rehabilitation, lead-based paint risk assessments and radon tests will be performed, titles will be cleared and the purchase prices will be negotiated at the applicable NSP grant program discount based upon appraisals by licensed real estate appraisers. City staff will prepare work write-ups, secure and maintain the properties, prepare bid documents and contract with private contractors for the interior demolition and exterior envelope phase of the Program. The interior of the houses will be gutted and windows and doors will be repaired or replaced. Any structural problems will be corrected. House exteriors will be painted or sided and new roofs, gutters and downspouts installed. Lead-based paint hazards will be removed or controlled according to HUD standards. If necessary, radon, mold and lead soil hazards will be removed or controlled. The City will then convey the houses to Habitat for one dollar.

Habitat for Humanity will install new electric, plumbing and heating, cooling and ventilating systems. The exterior walls and attic will be properly insulated. New drywall will be installed and painted and kitchen and bath cabinets and fixtures installed. After rehabilitation all homes will meet or exceed Omaha Building Code and Energy Code requirements and will meet the standard for Energy Star Qualified New Homes. Habitat has a long history of assisting very low-income households and will provide zero-percent financing to its qualified homebuyers. Family Housing Advisory Services, a HUD-certified housing counseling agency, will provide required homebuyer education to purchasers.

Several requirements assure affordability for qualified homebuyers. Sale prices shall be equal to or less than the cost to acquire and rehabilitate the home. Additionally, in no case will sales prices be higher than the appraised values. The income of homebuyer households will be verified according to HUD regulations and loans will be tailored to meet the needs of very low-income households. Habitat and the City of Omaha will monitor homebuyers to ensure that the houses remain principal places of residence and that homeowners comply with all NSP regulations during the affordability period. The Resale/Recapture Provisions for the HOME Program will be used to ensure affordability.

The Program cost is \$300,000 in NSP funds. Habitat estimates that it will provide cash and donated material and labor in the amount of \$200,000.

Habitat for Humanity of Omaha Rehabilitation and Resale Program Map



Clark Villas New Infill Housing Program Map

