

Action Plan

Grantee: Prince William County, VA

Grant: B-08-UN-51-0002

LOCCS Authorized Amount:	\$ 4,134,611.98
Grant Award Amount:	\$ 4,134,611.98
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 43,900.00
Total Budget:	\$ 4,178,511.98

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

The Prince William Area has experienced a substantial number of foreclosures. To identify the areas hardest hit within Prince William County and the City of Manassas and Manassas Park census tracts were used to determine the current foreclosure data, areas with high percentage of homes financed by subprime loans and areas likely to face a significant rise in the rate of home foreclosures identified in Realty Trac Data. The data indicates that there are 10 neighborhoods in Prince William County Census Tracts 9002,9004,9006,9007, 9008, 9009, 9012, 9015, 9016 and 9017 which all have a HUD Risk Score above 7. For the City of Manassas all 4 census tracts showed foreclosure rates of over 11% and a HUD Risk Score above 6. For Manassas Park the HUD Risk Score was also above 6.

Distribution and Uses of Funds:

To address the national foreclosure crisis and to address those areas trying to recover from the effects of foreclosure and declining property values funding is provided by the Housing and Economic Recovery Act of 2008 through HUD's Community Development Block Grant (CDBG) Program. The targeted Neighborhood Stabilization Program (NSP) funds will be used to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values.

Definitions and Descriptions:

Affordable Rents will follow the HOME Rule as found in Chapter 5 of Building HOME as published in CFR 92.251. The affordability of the unit(s) will be based upon HOME limits as established by HUD and adjusted annually. If tenant pays utilities, the maximum allowable rent is reduced using the HUD Section 8 existing housing allowance for tenant-furnished utilities.

Under the NSP1 guidelines we will be using the "recapture" provisions when used for acquisition activities as required as follows:

The HOME Recapture Provisions are established §92.253(a)(5)(ii) and permits the original homebuyer to sell the property to any willing buyer during the period of affordability. The repayment conditions for the NSP1 has shared market appreciation also referred to as the share of net proceeds.

Recapture provisions are in effect for periods from twenty years from the date of each settlement. Recapture is enforced through deed restrictions to ensure that the entire amount of assistance to homebuyer is recouped if the housing does not continue to be the principal residence of the family or for rentals for the duration of the period of affordability.

Prince William County will not implement the "resale" provision for acquisition activities.

Low Income Targeting:

25% of beneficiaries will be at or below 50% of AMI. All other beneficiaries will be at or below 80% of AMI even though the NSP guidelines can be up to 120% of AMI.



Acquisition and Relocation:

Under NSP guidelines Prince William County ensured there was no intent to trigger URA and that the activities were in compliance with all applicable URA acquisition and relocation requirements.

Prince William County does not have its own definition of "Blighted Area" . For NSP activities it applies primary to areas of greatest need where there are abandoned or foreclosed homes; to constitute improvements which would benefit these areas. All activities meet the national objective of benefiting low - moderate income persons.

The Grantee ensured that the purchase price included the required discount as established by an appraisal completed within 60 days of the offer made for the property and the appraisal met the URA definition of an approved appraiser and appraisal as required and established by HUD.

Policies, guidelines and procedures are in place for underwriting loans, program administration, deed restrictions and affordability requirements for acquisition activities. OHCD added on full time grant restrictive/date certain employee to assist current OHCD staff in working with households purchasing through Prince William County Foreclosure Rehabilitation Acquisition Program.

Public Comment:

Public comment period began October 27, 2008 and was published in the local newspaper for the required 15 day comment period which ended November 10, 2008. No comments were received.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
190300	Financing Mechanism	190300-Competitive	Acquisition & Rehab-Competitive NonProfit
		190300-MCMP	Homebuyer Assistance-MC & MP FRAP
		190300-PWC	Homebuyer Assistance-PWC FRAP
		190300-PWC 50%	Homeownership Assistance to 50%
190300-A	NSP Admin.	190300-Admin	NSP Administration
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / Title: 190300 / Financing Mechanism

Grantee Activity Number: 190300-Competitive
Activity Title: Acquisition & Rehab-Competitive NonProfit

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

190300

Projected Start Date:

03/03/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Completed

Project Title:

Financing Mechanism

Projected End Date:

10/08/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,106,616.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,106,616.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	6	6		100.00
# of Households	6	6		100.00

Proposed Accomplishments

of Singlefamily Units

of Housing Units

of Properties

Total

6

6

6



Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

Office of Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Office of Housing and Community Development	Unknown	\$ 0.00
PWC Office of Housing & Community Development	Local Government	\$ 1,106,616.00

Location Description:

All projects funded through the competitive process must be located within the following NSP Census Tracts 9002, 9004, 9006, 9007, 9008, 9009, 9012, 9015, 9016, 9017.

Activity Description:

NSP Eligible Use: HERA 2301 (c) (3) (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. CDBG Eligible Activity: 570.201(n) Direct Homeownership Assistance. Under CDBG program, assistance provided to facilitate homeownership may be in the form of subsidizing interest rates and mortgage principal amounts, payment of closing cost and downpayment assistance to LMI homebuyers, acquiring guarantees for mortgage financing from private lenders, and financing the acquisition by LMI persons of housing they already occupy. The assistance may be provided by the grantee through a subrecipient. CDBG Eligible Activity: 570.202 Acquisition for Rehabilitation. Use this code when property is acquired in order that it may be rehabilitated for housing. This code may be used to reflect the cost of only acquisition if the rehabilitation costs will be paid from another source, or it may also include both the cost of acquisition and rehabilitation if the cost of the rehabilitation is also paid with CDBG funds. \$1,033,653, which is 25% of the NSP allocation will be set aside for the competitive process. All beneficiaries must be 50% or below AMI, and will therefore be used to meet the low income housing requirement for those below 50% AMI. It is anticipated that applicants for funding will propose affordable rental activities that will provide long term affordable housing opportunities not only for low income, but special needs populations. Some of our non-profits that are more geared to providing homeownership opportunities may propose affordable homeownership activities which would serve this low income group. If so, homeownership projects would be given equal consideration in the competitive process. • duration or term of assistance; Subrecipients undertaking affordable rental activities through the competitive process will be required to continue use as a rental property serving low income persons for twenty years. • a description of how the design of the activity will ensure continued affordability. NSP funds provided to Subrecipients for acquisition/rehabilitation will be secured as a Deed of Trust in the land records of Prince William County deferred and forgiven after thirty years, including shared market appreciation based on a ratio of NSP funds to the total project cost. Deed restrictions will be in place for twenty years to ensure that the property continues use as affordable housing for households at or below 50% AMI. In exchange for the financing from the County, the owner agrees to restrictions on rent and tenant incomes based on Home Investment Partnership (HOME) Rent Limits as published by HUD to ensure affordability for the twenty year period. The twenty year affordability provision is secured by a Deed of Easement and Declaration of Restrictive Covenants running with the land that remains in force even if the property is sold and/or the loan is repaid prior to the expiration of the affordability period. For acquisition activities, include discount rate • discount rate will be 15% below current market appraised value For financing activities, include: • range of interest rates NSP funding under the competitive process would be 0%, deferred loan forgiven after thirty years. Total Budget: (Include public and private components) NSP funds \$1,033,653 Applicants will be encouraged to leverage other financing resources to maximize use of NSP funds. Exact estimates of other private resources are not available at this time. Virginia Housing Development Authority (VHDA) is a potential financing partner who may provide lower interest loans to entities purchasing through the NSP Program. Details of VHDA involvement in providing financing for NSP acquisitions have not been announced although Prince William County officials have provided input and will support all efforts to leverage other financing. Increase budget by \$72,963 to reflect actual expenditures for competitive projects that served households at or below 50% AMI.

Environmental Assessment:

COMPLETED



Environmental Reviews: None



Grantee Activity Number: 190300-MCMP
Activity Title: Homebuyer Assistance-MC & MP FRAP

Activity Type:
 Homeownership Assistance to low- and moderate-income

Project Number:
 190300

Projected Start Date:
 03/03/2009

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Benefit Report Type:
 Direct (Households)

Activity Status:
 Cancelled

Project Title:
 Financing Mechanism

Projected End Date:
 10/08/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 0.00
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 0.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households				0.0
# of Households				0.0

Proposed Accomplishments	Total
# of Singlefamily Units	
# of Housing Units	

Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 Manassas Housing Trust Fund, Inc.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Manassas Housing Trust Fund, Inc.	Unknown	\$ 0.00

Location Description:

City of Manassas allocation of NSP funds totaling \$227,696 will be targeted to neighborhoods in the hardest hit Census Tracts within the City of Manassas 9101, 9102, and 9104. City of Manassas Park allocation of NSP funds totaling \$86,594 will be targeted to an older neighborhood "Manassas Park" in Census Tract 9201 with the highest number of current foreclosures which also has been designated with a high risk score in HUD's Foreclosure and Abandonment Risk Data.

Activity Description:

The activity was cancelled because homebuyers were unsuccessful obtaining ratified contracts on properties in the City of Manassas and Manassas Park. The \$314,290 budget was transferred to Prince William County activities in order to utilize funds by the 18 month expenditure deadline.

Environmental Assessment: COMPLETED

Environmental Reviews: None



Grantee Activity Number: 190300-PWC
Activity Title: Homebuyer Assistance-PWC FRAP

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

190300

Projected Start Date:

03/03/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Completed

Project Title:

Financing Mechanism

Projected End Date:

05/15/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,639,286.75

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,639,286.75

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
19		19	100.00
19		19	100.00

of Households

Proposed Accomplishments

of Singlefamily Units

Total

19

of Housing Units

19

Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

Office of Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Office of Housing and Community Development

PWC Office of Housing & Community Development

Organization Type

Unknown

Local Government

Proposed Budget

\$ 0.00

\$ 2,639,286.75



Location Description:

All projects funded through the program must be located within 10 census tracts in Prince William County which were the identified areas hit hardest with foreclosures. The census tracts are 9002, 9006, 9007, 9008, 9009, 9012, 9015, 9016, 9017.

Activity Description:

NSP Eligible Use: HERA 2301 (c) (3) (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. CDBG Eligible Activity: 570.201(n) Direct Homeownership Assistance. Under CDBG program, assistance provided to facilitate homeownership may be in the form of subsidizing interest rates and mortgage principal amounts, payment of closing cost and downpayment assistance to LMI homebuyers, acquiring guarantees for mortgage financing from private lenders, and financing the acquisition by LMI persons of housing they already occupy. The assistance may be provided by the grantee through a subrecipient. CDBG Eligible Activity: 570.202 Acquisition for Rehabilitation. Use this code when property is acquired in order that it may be rehabilitated for housing. This code may be used to reflect the cost of only acquisition if the rehabilitation costs will be paid from another source, or it may also include both the cost of acquisition and rehabilitation if the cost of the rehabilitation is also paid with CDBG funds. Continued affordability for NSP homebuyers assisted with downpayment, closing costs, and rehabilitation funds will be ensured through a thirty year Deed restriction including a share of market appreciation based on a ratio determined by the amount of NSP funds used for acquisition/rehabilitation to the total acquisition/rehabilitation costs. Deed restrictions will require that the property be maintained as the borrower’s principal residence, and will not be subordinated for refinances that remove equity. After thirty years, the loan will be forgiven. The County will use the policies already established in the County’s existing Homeownership Assistance Program, and Rehabilitation Acquisition Program. The Deed for downpayment and closing cost assistance will be secured in second position in the land records of Prince William County. The rehabilitation loan will be secured in third position in the land records of Prince William County. The principal amount of NSP funds, along with a share of market appreciation based on the ratio of NSP funds to the total acquisition costs will become due and payable when the property ceases to be the principal residence, is sold, the primary loan is refinanced for the purpose of removing equity from the property, the borrower fails or neglects to pay the taxes, assessments, or premiums for hazard, flood (if required) or mortgage insurance, terms of the deed of trust are violated, or 30 years lapse, whichever occurs first. For acquisition activities, include discount rate • discount rate will be 15% below current market appraised value For financing activities, include: • range of interest rates NSP funding for acquisition/rehabilitation would be 0%, deferred loan forgiven after thirty years. Total Budget: (Include public and private components) \$ 2,373,208 NSP Funds \$ 10,021,500 Private Mortgage Financing \$ 178,500 Borrower Downpayment Contribution \$ 12,573,208 Total. Properties acquired for persons at or below 80% of AMI. Guidelines for beneficiaries allowed for up to 120% of AMI but PWC established a lower threshold.

7-1-10 Increased budget utilizing administrative funds in order to fully fund ratified contracts to purchase and rehabilitate foreclosed properties.

9-1-10 Decreased budget due to actual acquisition and rehabilitation contract costs. Funds were transferred to NSP Administration to cover ongoing administrative expenses relating to the completion of the NSP1 Program.

May 2012 \$67,177.75 transferred to activity to fund one additional home downpayment and closing cost from administrative dollars.

Environmental Assessment: COMPLETED

Environmental Reviews: None



Grantee Activity Number: 190300-PWC 50%
Activity Title: Homeownership Assistance to 50%

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

190300

Projected Start Date:

03/01/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Completed

Project Title:

Financing Mechanism

Projected End Date:

03/24/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 45,380.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 45,380.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
1	1		100.00
1	1		100.00

of Households

Proposed Accomplishments

of Singlefamily Units

Total

1

of Housing Units

1

Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

Office of Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Office of Housing and Community Development

PWC Office of Housing & Community Development

Organization Type

Unknown

Local Government

Proposed Budget

\$ 0.00

\$ 45,380.00



Location Description:

Foreclosed properties located within the targeted census tracts to include 9002, 9004, 9007, 9008, 9012, 9015, 9016 & 9017 which represents the highest concentration of foreclosed properties.

Activity Description:

Finance mechanism to assist eligible households whose gross combined income is at or below 50% of AMI with downpayment and closing cost assistance in order to purchase. The amount of downpayment and closing cost assistance will be secured through a 30-year deferred deed of trust with zero interest and zero payment, with shared market appreciation, which means the amount of funds the borrower must repay due to increased market value on the property at the time of resale or payment due to refinance for cash out, or change in ownership.

Environmental Assessment: COMPLETED

Environmental Reviews: None

Project # / Title: 190300-A / NSP Admin.

Grantee Activity Number: 190300-Admin
Activity Title: NSP Administration

Activity Type:

Administration

Project Number:

190300-A

Projected Start Date:

03/03/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Activity Status:

Completed

Project Title:

NSP Admin.

Projected End Date:

09/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 343,329.25

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 343,329.25

Benefit Report Type:

NA



Activity is being carried out by Grantee:

Yes

Activity is being carried out through:

Grantee Employees

Organization carrying out Activity:

PWC Office of Housing & Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
Office of Housing and Community Development	Unknown	\$ 0.00
PWC Office of Housing & Community Development	Local Government	\$ 343,329.25

Location Description:

Prince William County Office of Housing and Community Development 15941 Donald Curtis Drive, Suite 112 Woodbridge, Virginia 22191

Activity Description:

General administration and oversight of Neighborhood Stabilization Program (NSP).
7-1-10 The original budget is being reduced by \$200,525 and being transferred to the Prince William County Homeownership Activity in order to provide sufficient funding for acquisition and rehabilitation of foreclosed properties with ratified contracts.
9-1-10 A second adjustment to the administrative budget was made to reflect a reduction in the Homebuyer Assistance Activity budget due to reflect actual acquisition and rehabilitation contract costs.

Environmental Assessment: COMPLETED

Environmental Reviews: None

Action Plan Comments:

Reviewer - Action Plan reviewed/approved - technical correction.

Reviewer - Technical correction



Reviewer - County updated Action Plan for down payment assistance.

Reviewer - Field Office requesting modification.

Reviewer - Action Plan updated

Action Plan History

Version	Date
B-08-UN-51-0002 AP#1	07/13/2010
B-08-UN-51-0002 AP#2	09/30/2010
B-08-UN-51-0002 AP#3	06/05/2013
B-08-UN-51-0002 AP#4	06/05/2013
B-08-UN-51-0002 AP#5	05/06/2014
B-08-UN-51-0002 AP#6	05/12/2014
B-08-UN-51-0002 AP#7	05/22/2014
B-08-UN-51-0002 AP#8	01/24/2018

