DHCD
Maryland Department of Housing and Community Development

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Deputy Secretary

The attached document, the Maryland Department of Housing and Community Development's "Consolidated Plan / Action Plan Substantial Amendment – Neighborhood Stabilization Program", was completed and approved prior to the accession of the current state administration under Governor Larry Hogan and Lt. Governor Boyd K. Rutherford.

This document remains in force, and has been unchanged and unedited from its original format.

Consolidated Plan/Action Plan Substantial Amendment
Neighborhood Stabilization Program
State of Maryland

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THE NSP SUBSTANTIAL AMENDMENT

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Introduction

In response to the foreclosure crisis facing the nation, Congress approved, and the President signed, the Housing and Economic Recovery Act of 2008. As part of that legislation, Congress appropriated a special allocation of $3.92 billion in Community Development Block Grant (CDBG) funding to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values. The new program funded within CDBG is called the Neighborhood Stabilization Program (NSP).

HUD allocated the NSP funding to States and local governments to CDBG grantees on a needs-based formula. Recipients of the funds are required by law to prepare substantial amendments to their Consolidated Plans (a planning document which sets forth housing and community development goals and priorities among other purposes) and discuss how and where they will use NSP funds. The State of Maryland received an allocation of $26,704,504 in NSP funding which will be administered by the Maryland Department of Housing and Community Development (DHCD). DHCD is the State's housing agency, is already responsible for preparing the State's Consolidated Plan, already operates the regular CDBG program for the State, and is writing this substantial amendment regarding the State's allocation of NSP funding and how NSP funds will be used.

Under the law, State and local governments who received NSP funding can use their funds to acquire land and property for both rental and/or homeownership programs; to demolish or rehabilitate abandoned properties; and/or to offer downpayment and closing cost assistance to low- to moderate-income homebuyers. In addition, grantees can create "land banks" to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. At least 25 percent of NSP funds must be used to house individuals or families earning less than 50 percent of median income, and no NSP funds can be used to serve households earning more than 120 percent of median income.

Also by law, no NSP funds can be used for foreclosure prevention. In addition, the law requires that the acquisition price of homes purchased using NSP funds must be at a discount from the current market value of the home. Thus, HUD has determined that the maximum purchase price of a home may be no more than 85 percent of its current market value regardless of its eventual use for homeownership, rental or other purposes.

NSP funding to individual counties or cities must be spent within those jurisdictions. However, the State allocation of NSP funds must, by law, be spent in areas of greatest need, regardless of whether the affected community received its own allocation of NSP funds or not. Under the formula allocation, Baltimore City, Baltimore County, Prince George's County and Montgomery County received their own allocations of NSP funding, but are still eligible applicants for funding the State received.

A. Areas of Greatest Need

The State of Maryland has done a detailed studied of areas of greatest need for NSP funds in Maryland. The State will focus NSP resources in the areas of greatest need. The analysis was done using an array of public and private data as described below, but DHCD will allow applicant to submit additional data to support activities in areas not identified as areas of greatest need using DHCD's data.

Property foreclosure is a process that enables lenders to recover the amount owed on defaulted loans by selling or taking ownership of properties. The foreclosure process starts when a borrower defaults on loan payments and the lender files a public default notice, called a Notice of Default. During a grace period (or pre-foreclosure) the homeowner may pay off the default amount and reinstate the loan or sell the property to pay off the loan. If the homeowner fails to either reinstate or payoff the mortgage loan, the lender may sell the property at a public auction by issuing a Notice of Foreclosure Sales. Alternatively, the lender may purchase the property either through an agreement with the homeowner during the pre-foreclosure period or by buying back the property at the public auction. The lender will then re-sell the property to recover the unpaid loan amount.

According to RealtyTrac, between the first quarter of 2007 and the third quarter of 2008, a total of 37,605 unique property foreclosures occurred in 390 Maryland communities, including 480 foreclosure filings that took place in 109 communities that experienced less than ten foreclosures during that period (Table 1). Prince George's County alone accounted for 10,589 foreclosures or 28.2 percent of the statewide total. Baltimore City with 5,277 foreclosures (14.0 percent of total) had the second highest foreclosures in Maryland, followed by Montgomery County with 5,047 foreclosures (13.4 percent), Baltimore County with 3,778 (10.0 percent) and Anne Arundel County with 2,685 foreclosures (7.1 percent). Together, these five jurisdictions accounted for 27,376 foreclosures or 72.8 percent of all foreclosures statewide.

Table 1. Unique Property Foreclosure Events in Maryland 2007Q1-2008Q3

Jurisdiction	Number of Foreclosures	Percent of Total
Allegany	255	0.7%
Anne Arundel	2,685	7.1%
Baltimore	3,778	10.0%
Baltimore City	5,277	14.0%
Calvert	593	1.6%
Caroline	201	0.5%
Carroll	618	1.6%

Table 1. Unique Property Foreclosure Events in Maryland 2007Q1-2008Q3		
Jurisdiction	**Number of Foreclosures**	**Percent of Total**
Cecil	431	1.1%
Charles	1,432	3.8%
Dorchester	165	0.4%
Frederick	1,581	4.2%
Garrett	81	0.2%
Harford	1,170	3.1%
Howard	1,050	2.8%
Kent	58	0.2%
Montgomery	5,047	13.4%
Prince George's	10,589	28.2%
Queen Anne's	211	0.6%
Somerset	112	0.3%
St. Mary's	443	1.2%
Talbot	124	0.3%
Washington	917	2.4%
Wicomico	425	1.1%
Worcester	362	1.0%
Maryland	***37,605***	***100.0%***

Source: RealtyTrac

This study identifies the foreclosure hot spots in Maryland by measuring the intensity of the foreclosure activity in sub-state jurisdictions, broken down by zip code, between the first quarter of 2007 and the third quarter of 2008. The foreclosure intensity is measured by a composite index that is based on four economic variables: 1) the cumulative number of foreclosed properties; 2) the foreclosure rate, or the number of property foreclosures per 1000 homeowner households; 3) the subprime concentration ratio; and 4) the mortgage loan delinquency rate. The cumulative number of property foreclosures measures the total volume of foreclosure activity in communities across the state since the beginning of the study period (January 2007). The foreclosure rate variable measures the relative concentration of the foreclosure activity in various communities across the State. This is accomplished by normalizing the magnitude of the overall foreclosure activity, using the number of homeowner households in a given community as the adjustment factor. The share of sub-prime loans in all mortgage loans, or the subprime concentration ratio, and the mortgage loan delinquency rate variables are proxy indicators for the future foreclosure activity in a community. The resulting composite foreclosure indices of greater than 95 represent communities in which the intensity of the foreclosure activity is greater than the state average.

The cumulative number of foreclosed properties and the corresponding foreclosure rates are based on the unique property foreclosure filings as reported by the RealtyTrac between the first quarter of 2007 and the third quarter of 2008. The share of sub-prime loans in all mortgage loans and the overall mortgage loan delinquency rates are based on the mortgage loan data obtained from McDash Analytics during the first three quarters of 2008. The number of homeowner households by zip code is obtained from the Community Profiles of the ESRI database system for calendar year 2007. The communities included in this study reported a total of 37,125 property foreclosures during the study period. The average number of foreclosures among these communities was 132. The overall foreclosure rate statewide was 24 foreclosures per 1,000 homeowner households. Subprime loans in these communities represented 8.8 percent of all loans in service. The mortgage loan data also indicate that about 5.7 percent of all mortgage loans in these communities were delinquent during the first three quarters of 2008. Finally, home prices in this group of communities declined at an average annual rate of 1.7 percent during the 2006 to 2007 period.

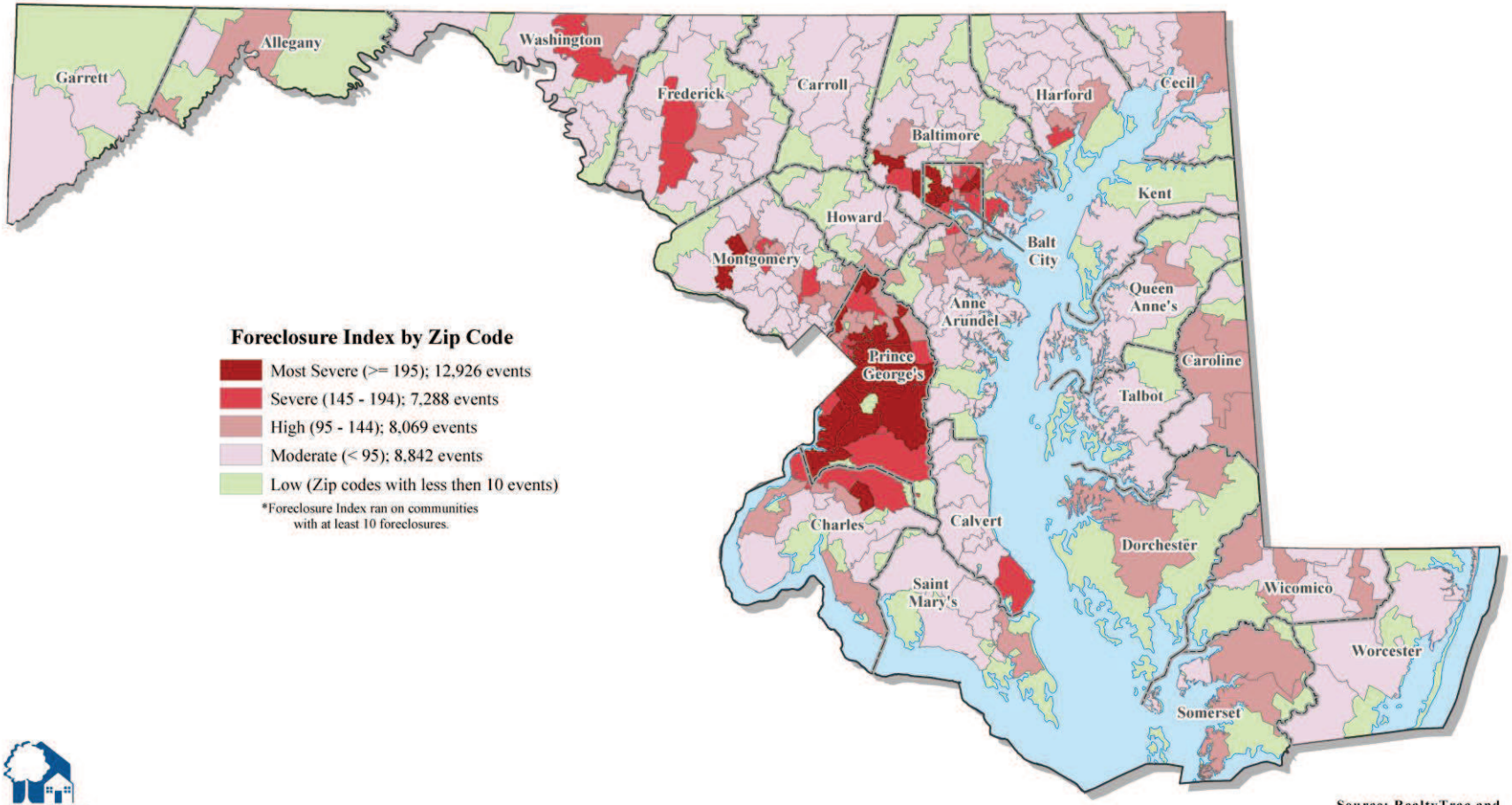
Our analysis further divides these communities into four groups on the basis of their foreclosure intensity indices (Table 2). The hardest hit areas include 29 communities that had the "*most severe*" foreclosure problem with 12,926 foreclosure filings (34.8 percent of total) and foreclosure intensity indices of greater than or equal to 195. The second group includes 27 jurisdictions that had "*severe*" foreclosure problem with 7,288 recorded foreclosures (19.6 percent of total) and intensity indices of between 145 and 194. The third group includes 58 jurisdictions that had "*high*" foreclosure problem with 8,069 foreclosure events (21.7 percent of total) and intensity indices of between 95 and 144. Finally, the "*moderate*" foreclosure problem group is represented by 167 communities that displayed foreclosure intensity indices of less than 95. The latter group reported a total of 8,842 foreclosures accounting for 23.8 percent of all foreclosure activity statewide.

Table 2. Foreclosure Intensity Indices by Strategic Grouping
2007Q1-2008Q3

Group	Number of Communities	Foreclosures Number	Percent of Total	Foreclosure Intensity Index
Most Severe	29	12,926	34.8%	241.2
Severe	27	7,288	19.6%	169.8
High	58	8,069	21.7%	114.2
Moderate	167	8,842	23.8%	59.3
Statewide	***281***	***37,125***	***100.0%***	***100.0***

Source: RealtyTrac; McDash Analytics; and DHCD, Office of Research

FORECLOSURE ACTIVITY INDEX for MARYLAND
1st Quarter 2007 to 3rd Quarter 2008



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Source: RealtyTrac and DHCD Office of Research

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MOST SEVERE FORECLOSURE PROBLEM COMMUNITIES

The hardest hit communities include jurisdictions that have the "*most severe*" foreclosure problem as represented by intensity indices of greater than or equal to 195 (Tables 3 and 4). Between the first quarter of 2007 and the third quarter of 2008, a total of 12,926 unique property foreclosures occurred in these communities, representing 34.8 percent of all foreclosed properties statewide. Prince George's County communities accounted for the bulk of the foreclosure activity in this group, accounting for 8,297 foreclosures or 64.2 percent of the group total.

The average number of foreclosures in this group was 446 per community, resulting in a foreclosure number index of 337.4. Therefore, the cumulative number of foreclosures in these communities is, on average, 237.4 percent above the state average. The average foreclosure rate in this group was 57 foreclosures per 1,000 homeowner households, thus producing a foreclosure rate index of 234.9. Therefore, the foreclosure concentration in this group is about 134.9 percent above the state average. Subprime loans represented 17.9 percent of all loans in service, resulting in a subprime share index of 202.3. As a result, the concentration of subprime loans in this group is about 102.3 percent above the state average. The mortgage loan data also indicate that about 10.8 percent of all mortgage loans in this group of communities were delinquent during the first three quarters of 2008, resulting in a delinquency rate index of 190.2. Therefore, the group's overall delinquency ratio exceeds the state average ratio by about 90.2 percent. The composite foreclosure intensity index for this group is 241.2, indicating that the group's overall foreclosure activity is 141.2 percent above the state average.

Table 3. Foreclosure Data in "*Most Severe*" Foreclosure Problem Jurisdictions, 2007Q1-2008Q3

Jurisdiction	Total Foreclosures	% of Total	Average Foreclosure	Foreclosure Rate	Subprime Share	Delinquency Rate	Intensity Index
Baltimore	740	5.7%	370	40	17.5%	10.7%	207.9
Baltimore City	2,941	22.8%	420	54	20.3%	12.3%	247.2
Charles	330	2.6%	330	57	16.3%	10.8%	215.0
Montgomery	618	4.8%	618	41	9.4%	5.5%	209.8
Prince George's	8,297	64.2%	461	61	17.5%	10.5%	245.7
Group Total	***12,926***	***100.0%***	***446***	***57***	***17.9%***	***10.8%***	***241.2***

Source: RealtyTrac; McDash Analytics; and DHCD, Office of Research

Table 4. "Most Severe" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		Foreclosure Intensity Index
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Number	Rate	Subprime Share	Delinquency Rate	
Baltimore	Gwynn Oak	21207	396	34	17.8%	10.9%	299.7	139.9	201.2	192.1	208.2
Baltimore	Randallstown	21133	344	46	17.2%	10.6%	260.4	187.9	194.9	187.1	207.6
Baltimore City	Arlington	21215	506	41	20.6%	11.4%	383.0	167.8	232.8	200.5	246.0
Baltimore City	Carroll	21229	433	39	18.8%	10.6%	327.7	160.7	213.0	188.1	222.4
Baltimore City	Clifton	21213	364	47	19.9%	13.2%	275.5	194.1	224.6	232.7	231.7
Baltimore City	Druid	21217	376	79	19.6%	11.4%	284.6	325.5	221.8	202.1	258.5
Baltimore City	Franklin	21223	341	77	21.1%	12.1%	258.1	319.0	238.2	214.0	257.3
Baltimore City	Raspeburg	21206	506	41	17.5%	12.6%	383.0	169.0	198.1	221.9	243.0
Baltimore City	Walbrook	21216	415	56	24.8%	14.6%	314.1	233.1	280.2	257.8	271.3
Charles	Waldorf	20602	330	57	16.3%	10.8%	249.8	235.2	184.1	190.7	215.0
Montgomery	Germantown	20874	618	41	9.4%	5.5%	467.8	168.6	106.2	96.4	209.8
Prince George's	Accokeek	20607	188	67	17.2%	10.1%	142.3	275.3	194.5	177.6	197.4
Prince George's	Bladensburg	20710	60	72	24.7%	14.5%	45.4	298.3	279.4	256.8	220.0
Prince George's	Bowie	20720	372	60	13.5%	8.7%	281.6	247.6	152.5	153.2	208.7
Prince George's	Bowie	20721	400	49	14.6%	7.8%	302.8	200.8	165.2	137.7	201.6
Prince George's	Capitol Heights	20743	814	86	23.6%	14.2%	616.1	354.3	266.3	250.2	371.7
Prince George's	Clinton	20735	550	50	16.6%	10.9%	416.3	207.9	187.9	192.9	251.3
Prince George's	District Heights	20747	483	61	19.6%	11.9%	365.6	251.3	221.8	210.8	262.4
Prince George's	Fort Washington	20744	867	57	15.7%	9.9%	656.2	235.4	177.8	174.2	310.9
Prince George's	Hyattsville	20783	479	69	16.5%	10.1%	362.6	283.0	186.2	177.9	252.4
Prince George's	Hyattsville	20784	406	74	18.5%	11.0%	307.3	303.4	209.6	194.8	253.8
Prince George's	Hyattsville	20785	396	56	18.3%	11.1%	299.7	232.8	206.4	195.7	233.6
Prince George's	Lanham	20706	512	55	16.9%	10.4%	387.5	227.4	191.0	184.4	247.6
Prince George's	Laurel	20707	380	52	13.9%	8.2%	287.6	216.2	156.8	144.5	201.3
Prince George's	Riverdale	20737	188	60	18.2%	11.1%	142.3	246.8	206.0	196.7	197.9
Prince George's	Suitland	20746	260	54	17.8%	9.7%	196.8	224.4	201.6	171.3	198.5
Prince George's	Temple Hills	20748	524	59	18.5%	10.3%	396.6	242.3	209.6	181.4	257.5
Prince George's	Upper Marlboro	20772	643	49	15.1%	9.2%	486.7	201.4	170.2	162.5	255.2
Prince George's	Upper Marlboro	20774	775	64	16.6%	9.6%	586.6	262.2	187.6	169.6	301.5

SEVERE FORECLOSURE PROBLEM COMMUNITIES

The next hardest hit communities include jurisdictions that have the "*severe*" foreclosure problem as indicated by intensity indices of between 145 and 194 (Tables 5 and 6). During the first quarter of 2007 to the third quarter of 2008 period, a total of 7,288 unique property foreclosures took place in these communities, representing 19.6 percent of all foreclosed properties statewide. Baltimore City communities accounted for 23.6 percent of all foreclosures in this group, the largest share, followed by communities in Prince George's County (17.1 percent) and Montgomery County (16.0 percent).

The average number of foreclosures in this group was 270 per community, resulting in a foreclosure number index of 204.3. Therefore, the cumulative number of foreclosures in these communities is, on average, 104.3 percent above the state average. The average foreclosure rate in this group was 43 foreclosures per 1,000 homeowner households, thus producing a foreclosure rate index of 176.6. Therefore, the foreclosure concentration ratio in this group exceeds the statewide average ratio by 76.6 percent. Subprime loans represented 13.5 percent of all loans in service, resulting in a subprime share index of 152.4. As a result, the concentration of subprime loans in this group is about 52.4 percent above the state average. The mortgage loan data also indicate that about 8.3 percent of all mortgage loans in this group of communities were delinquent during the first three quarters of 2008, resulting in a delinquency rate index of 146.1. Therefore, the group's overall delinquency ratio exceeds the state average ratio by about 46.1 percent. The composite foreclosure intensity index for this group is 169.8, indicating that the group's overall foreclosure activity is 69.8 percent above the state average.

Table 5. Foreclosure Data in "Severe" Foreclosure Problem Jurisdictions, 2007Q1-2008Q3

Jurisdiction	Total Foreclosures	% of Total	Average Foreclosure	Foreclosure Rate	Subprime Share	Delinquency Rate	Intensity Index
Anne Arundel	235	3.2%	235	35	14.1%	8.9%	160.1
Baltimore	587	8.1%	294	28	14.1%	9.2%	164.4
Baltimore City	1,720	23.6%	287	37	14.2%	8.5%	170.4
Calvert	268	3.7%	268	45	10.3%	7.6%	159.5
Charles	634	8.7%	211	43	13.4%	9.0%	161.6
Frederick	728	10.0%	364	41	9.3%	6.1%	164.7
Harford	242	3.3%	242	39	14.1%	10.6%	172.0
Montgomery	1,168	16.0%	389	44	10.7%	6.1%	175.7
Prince George's	1,244	17.1%	178	55	16.0%	8.9%	174.3
Washington	462	6.3%	462	34	9.5%	7.1%	180.8
Group Total	***7,288***	***100.0%***	***270***	***43***	***13.5%***	***8.3%***	***169.8***

Source: RealtyTrac; McDash Analytics; and DHCD, Office of Research

Table 6. "Severe" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		Foreclosure Intensity Index
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Number	Rate	Subprime Share	Delinquency Rate	
Anne Arundel	Brooklyn	21225	235	35	14.1%	8.9%	177.9	145.6	159.1	158.0	160.1
Baltimore	Dundalk	21222	367	23	12.3%	8.7%	277.8	96.5	138.5	154.4	166.8
Baltimore	Windsor Mill	21244	220	32	15.9%	9.6%	166.5	131.6	180.1	169.9	162.0
Baltimore City	Baltimore	21230	343	41	8.5%	5.4%	259.6	170.6	95.9	95.3	155.4
Baltimore City	Cifton East End	21205	131	43	19.8%	10.5%	99.2	178.3	224.3	185.3	171.8
Baltimore City	Hamilton	21214	188	32	13.6%	9.7%	142.3	131.3	154.0	172.0	149.9
Baltimore City	Highlandtown	21224	495	39	9.2%	5.9%	374.7	159.9	103.5	103.4	185.4
Baltimore City	Northwood	21239	200	28	19.1%	11.3%	151.4	115.8	215.4	200.4	170.8
Baltimore City	Waverly	21218	363	40	15.1%	8.3%	274.8	166.2	170.8	146.2	189.5
Calvert	Lusby	20657	268	45	10.3%	7.6%	202.8	184.1	116.2	134.8	159.5
Charles	Bryans Road	20616	83	45	16.1%	11.0%	62.8	184.4	181.9	194.7	155.9
Charles	Waldorf	20601	241	36	13.1%	8.7%	182.4	148.0	148.3	154.0	158.2
Charles	Waldorf	20603	310	48	10.9%	7.2%	234.6	196.1	123.7	127.9	170.6
Frederick	Frederick	21702	377	40	8.5%	5.8%	285.4	166.0	95.8	102.0	162.3
Frederick	Frederick	21703	351	43	10.1%	6.4%	265.7	176.1	113.6	113.1	167.1
Harford	Edgewood	21040	242	39	14.1%	10.6%	183.2	158.9	159.1	186.9	172.0
Montgomery	Gaithersburg	20877	307	54	11.7%	7.1%	232.4	221.3	131.9	126.0	177.9
Montgomery	Montgomery Village	20886	408	50	11.1%	6.2%	308.8	207.6	125.2	110.1	187.9
Montgomery	Silver Spring	20906	453	27	9.2%	5.0%	342.9	109.7	104.4	88.6	161.4
Prince George's	Beltsville	20705	276	56	13.2%	7.6%	208.9	229.4	149.2	134.6	180.5
Prince George's	Bowie	20716	309	51	13.6%	7.9%	233.9	211.1	154.2	139.5	184.7
Prince George's	Brandywine	20613	168	48	16.6%	10.0%	127.2	199.1	187.4	176.3	172.5
Prince George's	Brentwood	20722	94	74	18.1%	9.8%	71.1	304.0	204.8	172.5	188.1
Prince George's	Cheltenham	20623	43	55	17.8%	8.7%	32.5	228.7	201.4	153.6	154.1
Prince George's	Hyattsville	20781	115	50	14.4%	8.1%	87.0	205.2	162.3	143.6	149.5
Prince George's	Oxon Hill	20745	239	49	18.2%	9.9%	180.9	202.5	205.3	174.6	190.8
Washington	Hagerstown	21740	462	34	9.5%	7.1%	349.7	139.3	107.8	126.3	180.8

HIGH FORECLOSURE PROBLEM COMMUNITIES

The "*high*" foreclosure problem communities are represented by intensity indices of between 95 and 144 (Tables 7 and 8). Between the first quarter of 2007 and the third quarter of 2008, a total of 8,069 unique property foreclosures occurred in these communities, representing 21.7 percent of all foreclosed properties statewide. Montgomery County communities accounted for 17.6 percent of all foreclosures in this group, the largest share, followed by Baltimore County (16.4 percent), Anne Arundel County (15.4 percent), and Prince George's County (12.7 percent). The average number of foreclosures in this group was 446 per community, resulting in a foreclosure number index of 337.4. Therefore, the number of foreclosures in these communities is 237.4 percent above the state average. The group's average foreclosure rate was 57 foreclosures per 1,000 homeowner households, resulting in a foreclosure rate index of 234.9. Thus, the foreclosure concentration in this group is about 134.9 percent above the state average. Subprime loans represented 17.9 percent of all loans in service, resulting in a subprime share index of 202.3. As a result, the concentration of subprime loans in this group is about 102.3 percent above the state average. About 10.8 percent of all mortgage loans in this group were delinquent during the first three quarters of 2008, resulting in a delinquency rate index of 190.2. Therefore, the group's overall delinquency ratio exceeds the state average ratio by about 90.2 percent. The composite foreclosure intensity index for this group is 241.2, indicating that the group's overall foreclosure activity is 141.2 percent above the state average.

Table 7. Foreclosure Data in "High" Foreclosure Problem Jurisdictions, 2007Q1-2008Q3

Jurisdiction	Total Foreclosures	% of Total	Average Foreclosure	Foreclosure Rate	Subprime Share	Delinquency Rate	Intensity Index
Allegany	198	2.5%	99	15	13.9%	10.2%	119.0
Anne Arundel	1,240	15.4%	248	26	9.4%	6.0%	126.2
Baltimore	1,327	16.4%	221	20	9.1%	6.1%	115.2
Baltimore City	477	5.9%	95	38	8.5%	5.6%	106.0
Caroline	171	2.1%	43	26	12.6%	8.6%	108.4
Cecil	186	2.3%	186	16	7.4%	5.8%	97.7
Charles	231	2.9%	77	35	12.2%	8.9%	124.6
Dorchester	130	1.6%	65	23	13.6%	9.2%	115.4
Frederick	299	3.7%	150	32	8.3%	7.3%	117.4
Harford	364	4.5%	121	25	8.5%	6.0%	99.9
Howard	383	4.7%	192	22	7.2%	4.5%	98.9
Montgomery	1,422	17.6%	203	30	9.1%	5.4%	118.9
Prince George's	1,025	12.7%	146	39	11.9%	6.8%	131.5
Queen Anne's	13	0.2%	13	25	11.8%	8.4%	98.7
Somerset	89	1.1%	30	20	13.5%	8.0%	99.7
St. Mary's	128	1.6%	128	27	7.7%	5.6%	98.9

Table 7. Foreclosure Data in "High" Foreclosure Problem Jurisdictions, 2007Q1-2008Q3							
Jurisdiction	**Total Foreclosures**	**% of Total**	**Average Foreclosure**	**Foreclosure Rate**	**Subprime Share**	**Delinquency Rate**	**Intensity Index**
Washington	214	2.7%	214	26	7.2%	5.5%	112.3
Wicomico	172	2.1%	57	21	11.6%	8.2%	101.5
Group Total	***8,069***	***100.0%***	***139***	***28***	***10.3%***	***6.8%***	***114.2***

Source: RealtyTrac; McDash Analytics; and DHCD, Office of Research

Table 8. "High" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				**Foreclosure Indices**		**Mortgage Indices**		**Foreclosure Intensity Index**
Jurisdiction	**Post Office Name**	**Zip Code**	**Number**	**Rate**	**Subprime Share**	**Delinquency Rate**	**Number**	**Rate**	**Subprime Share**	**Delinquency Rate**	
Allegany	Cumberland	21502	183	15	10.1%	6.2%	138.5	62.2	114.3	109.9	106.2
Allegany	Westernport	21562	15	16	17.7%	14.2%	11.4	64.7	199.6	251.6	131.8
Anne Arundel	Glen Burnie	21060	215	27	10.8%	7.0%	162.7	112.3	122.3	123.5	130.2
Anne Arundel	Glen Burnie	21061	300	26	9.6%	6.7%	227.1	106.1	108.2	118.3	139.9
Anne Arundel	Laurel	20724	114	26	9.7%	6.0%	86.3	109.2	109.6	105.9	102.7
Anne Arundel	Pasadena	21122	385	21	7.1%	5.2%	291.4	85.0	80.5	91.3	137.0
Anne Arundel	Severn	21144	226	28	9.6%	5.0%	171.1	116.6	108.7	88.0	121.1
Baltimore	Essex	21221	211	21	10.3%	7.1%	159.7	87.0	116.4	125.4	122.1
Baltimore	Halethorpe	21227	163	19	8.5%	6.2%	123.4	78.0	96.5	109.2	101.8
Baltimore	Middle River	21220	210	21	9.3%	6.8%	158.9	87.7	105.5	119.8	118.0
Baltimore	Owings Mills	21117	292	23	9.3%	5.1%	221.0	94.7	104.6	89.3	127.4
Baltimore	Parkville	21234	301	15	7.5%	5.3%	227.8	63.2	84.7	93.3	117.3
Baltimore	Rosedale	21237	150	20	9.5%	6.4%	113.5	83.3	107.2	113.7	104.5
Baltimore City	Baltimore	21201	33	40	8.9%	5.4%	25.0	165.7	100.5	95.8	96.7
Baltimore City	Curtis Bay	21226	84	44	10.4%	6.8%	63.6	180.9	117.3	120.7	120.6
Baltimore City	East Case	21202	60	41	8.5%	6.2%	45.4	168.9	96.2	109.2	104.9
Baltimore City	Govans	21212	185	20	8.2%	5.0%	140.0	82.4	93.1	88.5	101.0
Baltimore City	Patterson	21231	115	46	6.6%	4.4%	87.0	188.2	74.8	77.7	106.9
Caroline	Denton	21629	65	24	10.3%	8.8%	49.2	97.8	116.4	156.2	104.9
Caroline	Federalsburg	21632	38	21	14.8%	8.8%	28.8	86.0	167.4	155.4	109.4
Caroline	Greensboro	21639	40	31	13.3%	7.8%	30.3	128.2	150.1	138.5	111.8
Caroline	Ridgely	21660	28	27	12.2%	9.1%	21.2	111.3	137.7	160.5	107.7
Cecil	Elkton	21921	186	16	7.4%	5.8%	140.8	64.0	84.2	101.9	97.7

Table 8. "High" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		Foreclosure Intensity Index
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Number	Rate	Subprime Share	Delinquency Rate	
Charles	Indian Head	20640	99	36	14.6%	9.7%	74.9	148.9	165.3	172.0	140.3
Charles	Newburg	20664	33	34	9.9%	8.8%	25.0	139.0	112.2	154.7	107.7
Charles	White Plains	20695	99	36	12.0%	8.3%	74.9	146.6	135.6	146.1	125.8
Dorchester	Cambridge	21613	78	17	11.0%	8.2%	59.0	68.2	124.9	145.4	99.4
Dorchester	Hurlock	21643	52	30	16.1%	10.2%	39.4	124.8	181.5	179.9	131.4
Frederick	Brunswick	21716	57	41	10.0%	10.0%	43.1	167.8	113.3	175.7	125.0
Frederick	Frederick	21701	242	24	6.5%	4.7%	183.2	100.4	73.3	82.3	109.8
Harford	Aberdeen	21001	129	22	10.0%	6.6%	97.6	89.3	112.9	117.4	104.3
Harford	Abingdon	21009	177	21	7.3%	5.6%	134.0	84.8	83.1	98.2	100.0
Harford	Belcamp	21017	58	34	8.2%	5.9%	43.9	141.4	93.3	103.6	95.5
Howard	Columbia	21045	212	20	6.9%	4.4%	160.5	80.6	77.9	77.8	99.2
Howard	Laurel	20723	171	24	7.5%	4.6%	129.4	97.9	84.8	81.9	98.5
Montgomery	Burtonsville	20866	129	38	9.9%	6.0%	97.6	158.7	112.4	106.8	118.9
Montgomery	Gaithersburg	20879	276	39	9.0%	6.0%	208.9	159.0	102.1	105.4	143.8
Montgomery	Germantown	20876	218	37	8.8%	5.9%	165.0	151.5	99.7	103.5	130.0
Montgomery	Rockville	20853	183	22	7.4%	4.5%	138.5	89.2	83.1	78.8	97.4
Montgomery	Silver Spring	20902	268	25	8.0%	4.2%	202.8	104.0	90.5	74.9	118.1
Montgomery	Silver Spring	20903	76	27	11.3%	6.4%	57.5	111.3	127.4	113.0	102.3
Montgomery	Silver Spring	20904	272	24	9.0%	4.7%	205.9	97.9	101.2	83.5	122.1
Prince George's	Bowie	20715	223	27	8.8%	5.5%	168.8	110.9	99.4	96.7	119.0
Prince George's	College Park	20740	169	33	9.6%	5.9%	127.9	137.6	108.6	104.9	119.8
Prince George's	Glenn Dale	20769	94	52	12.6%	8.4%	71.1	212.6	142.8	148.4	143.7
Prince George's	Greenbelt	20770	169	38	9.9%	5.6%	127.9	158.1	112.4	99.7	124.5
Prince George's	Hyattsville	20782	173	36	12.3%	7.0%	130.9	150.4	139.5	124.0	136.2
Prince George's	Laurel	20708	150	38	14.4%	7.4%	113.5	158.3	163.2	131.6	141.7
Prince George's	Mount Rainier	20712	47	47	15.4%	7.9%	35.6	193.2	174.4	139.9	135.8
Queen Anne's	Church Hill	21623	13	25	11.8%	8.4%	9.8	103.0	133.0	149.1	98.7
Somerset	Crisfield	21817	41	26	11.0%	7.4%	31.0	107.8	124.3	130.8	98.5
Somerset	Princess Anne	21853	35	17	13.3%	8.9%	26.5	71.1	149.9	157.1	101.1
Somerset	Westover	21871	13	16	16.3%	7.8%	9.8	66.6	183.9	137.8	99.5
St. Mary's	Lexington Park	20653	128	27	7.7%	5.6%	96.9	112.3	87.3	99.2	98.9

Table 8. "High" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		Foreclosure Intensity Index
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Number	Rate	Subprime Share	Delinquency Rate	
Washington	Hagerstown	21742	214	26	7.2%	5.5%	162.0	108.6	81.3	97.4	112.3
Wicomico	Mardela Springs	21837	14	15	12.7%	9.6%	10.6	63.1	143.0	168.9	96.4
Wicomico	Pittsville	21850	23	28	11.4%	9.0%	17.4	116.2	128.9	158.4	105.2
Wicomico	Salisbury	21801	135	20	10.6%	6.2%	102.2	80.6	120.2	108.8	103.0

MODERATE FORECLOSURE PROBLEM COMMUNITIES

The "*moderate*" foreclosure problem areas are represented by 167 communities that have foreclosure intensity indices of below 95 (Tables 9 and 10). During the first quarter of 2007 to the third quarter of 2008 period, a total of 8,842 unique property foreclosures occurred in these communities, representing 23.8 percent of all foreclosed properties statewide. Montgomery County communities accounted for 20.9 percent of all foreclosures in this group, the largest share, followed by Anne Arundel County (14.4 percent), and Baltimore County (12.1 percent).

The average number of foreclosures in this group was 53 per community, resulting in a foreclosure number index of 40.1. Therefore, the number of foreclosures in these communities is about 59.9 percent below the state average. The group's average foreclosure rate was 14 foreclosures per 1,000 homeowner households, resulting in a foreclosure rate index of 59.2. Thus, the foreclosure concentration in this group is about 40.8 percent below the state average. Subprime loans represented 6.0 percent of all loans in service, resulting in a subprime share index of 68.0. As a result, the concentration of subprime loans in this group is about 32.0 percent below the state average. About 3.9 percent of all mortgage loans in this group were delinquent during the first three quarters of 2008, resulting in a delinquency rate index of 69.7. Therefore, the group's overall delinquency ratio falls short of the state average ratio by 30.3 percent. The composite foreclosure intensity index for this group is 59.3, indicating that the group's overall foreclosure intensity is 40.7 percent below the state average.

Table 9. Foreclosure Data in "Moderate" Foreclosure Problem Jurisdictions, 2007Q1-2008Q3							
Jurisdiction	Total Foreclosures	% of Total	Average Foreclosure	Foreclosure Rate	Subprime Share	Delinquency Rate	Intensity Index
Allegany	29	0.3%	29	8	7.5%	4.6%	54.9
Anne Arundel	1,276	14.4%	64	15	5.2%	3.4%	57.1
Baltimore	1,073	12.1%	60	10	5.1%	3.2%	50.2
Baltimore City	111	1.3%	56	13	5.3%	3.2%	52.9
Calvert	284	3.2%	41	15	5.8%	4.1%	57.8

Table 9. Foreclosure Data in "Moderate" Foreclosure Problem Jurisdictions, 2007Q1-2008Q3							
Jurisdiction	**Total Foreclosures**	**% of Total**	**Average Foreclosure**	**Foreclosure Rate**	**Subprime Share**	**Delinquency Rate**	**Intensity Index**
Caroline	24	0.3%	12	14	13.3%	7.4%	87.3
Carroll	575	6.5%	64	13	6.3%	4.5%	63.5
Cecil	226	2.6%	32	14	7.5%	5.0%	64.0
Charles	192	2.2%	38	19	7.5%	5.4%	71.8
Dorchester	15	0.2%	15	14	9.5%	7.8%	79.0
Frederick	595	6.7%	37	17	5.8%	4.0%	57.9
Garrett	54	0.6%	27	12	4.5%	2.2%	39.6
Harford	550	6.2%	46	13	5.2%	4.1%	55.1
Howard	608	6.9%	68	12	5.2%	2.9%	52.8
Kent	53	0.6%	27	16	7.5%	6.3%	70.7
Montgomery	1,846	20.9%	84	14	4.9%	2.4%	54.8
Queen Anne's	170	1.9%	28	14	7.3%	4.4%	60.2
Somerset	12	0.1%	12	27	7.9%	5.6%	76.9
St. Mary's	258	2.9%	52	16	5.5%	4.1%	60.0
Talbot	102	1.2%	34	11	6.5%	3.1%	50.1
Washington	219	2.5%	31	15	7.6%	5.7%	68.0
Wicomico	225	2.5%	38	16	9.4%	6.7%	79.9
Worcester	345	3.9%	86	23	6.7%	4.8%	79.6
Group Total	***8,842***	***100.0%***	***53***	***14***	***6.0%***	***3.9%***	***59.3***

Source: RealtyTrac; McDash Analytics; and DHCD, Office of Research

Table 10. "Moderate" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				**Foreclosure Indices**		**Mortgage Indices**		
Jurisdiction	**Post Office Name**	**Zip Code**	**Number**	**Rate**	**Subprime Share**	**Delinquency Rate**	**Rate**	**Number**	**Subprime Share**	**Delinquency Rate**	**Foreclosure Indices**
Allegany	Frostburg	21532	29	8	7.5%	4.6%	22.0	31.4	84.3	82.0	54.9
Anne Arundel	Annapolis	21401	130	12	5.1%	2.8%	98.4	48.4	57.5	49.4	63.4
Anne Arundel	Annapolis	21403	138	17	5.0%	2.6%	104.5	70.6	56.6	45.2	69.2
Anne Arundel	Annapolis	21409	88	14	5.0%	2.7%	66.6	58.3	57.1	47.3	57.3
Anne Arundel	Arnold	21012	84	13	4.1%	3.4%	63.6	53.0	46.6	59.5	55.7
Anne Arundel	Churchton	20733	16	13	5.6%	4.5%	12.1	54.3	63.2	79.5	52.3
Anne Arundel	Crofton	21114	103	16	4.7%	2.5%	78.0	66.0	53.7	44.1	60.4

Table 10. "Moderate" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Rate	Number	Subprime Share	Delinquency Rate	Foreclosure Indices
Anne Arundel	Crownsville	21032	30	11	4.1%	2.8%	22.7	43.7	46.9	49.1	40.6
Anne Arundel	Davidsonville	21035	22	9	3.9%	2.2%	16.7	37.5	43.9	39.4	34.3
Anne Arundel	Deale	20751	18	25	6.8%	3.9%	13.6	101.6	76.7	68.8	65.2
Anne Arundel	Edgewater	21037	133	20	5.3%	3.7%	100.7	82.9	60.2	65.7	77.4
Anne Arundel	Gambrills	21054	33	9	4.5%	2.9%	25.0	37.3	51.2	51.6	41.3
Anne Arundel	Hanover	21076	52	16	5.9%	3.9%	39.4	64.8	67.0	69.0	60.0
Anne Arundel	Linthicum Heights	21090	37	12	5.3%	3.7%	28.0	47.7	60.2	65.0	50.2
Anne Arundel	Lothian	20711	20	9	6.6%	3.3%	15.1	38.0	74.5	58.1	46.4
Anne Arundel	Millersville	21108	50	9	5.1%	3.1%	37.8	38.4	57.9	54.5	47.2
Anne Arundel	North Beach	20714	34	29	7.2%	5.3%	25.7	118.9	80.9	93.9	79.9
Anne Arundel	Odenton	21113	172	20	6.1%	3.8%	130.2	81.3	68.7	67.0	86.8
Anne Arundel	Riva	21140	11	9	3.9%	2.5%	8.3	37.5	43.8	43.9	33.4
Anne Arundel	Severna Park	21146	61	7	3.8%	2.0%	46.2	30.5	42.5	34.9	38.5
Anne Arundel	Shady Side	20764	44	32	5.6%	5.9%	33.3	130.4	63.8	103.6	82.8
Baltimore	Baltimore	21209	40	6	4.4%	2.6%	30.3	24.8	49.7	45.2	37.5
Baltimore	Catonsville	21228	185	13	6.0%	3.7%	140.0	54.7	67.4	64.6	81.7
Baltimore	Cockeysville	21030	50	10	4.2%	2.1%	37.8	43.0	47.1	36.8	41.2
Baltimore	Kingsville	21087	20	11	5.1%	3.1%	15.1	43.8	57.1	54.4	42.6
Baltimore	Lutherville Timonium	21093	73	6	3.0%	1.6%	55.3	22.9	34.4	27.5	35.0
Baltimore	Monkton	21111	16	10	4.3%	2.0%	12.1	39.7	48.6	35.6	34.0
Baltimore	Nottingham	21236	143	12	5.6%	3.6%	108.2	50.6	63.7	63.5	71.5
Baltimore	Parkton	21120	14	7	5.0%	2.8%	10.6	27.1	56.9	48.7	35.8
Baltimore	Perry Hall	21128	42	10	5.4%	3.8%	31.8	41.5	60.6	66.3	50.1
Baltimore	Phoenix	21131	20	8	4.5%	2.1%	15.1	34.9	50.3	36.8	34.3
Baltimore	Pikesville	21208	153	15	8.8%	5.4%	115.8	62.7	99.3	95.6	93.3
Baltimore	Reisterstown	21136	161	16	7.4%	4.4%	121.9	67.0	83.6	77.6	87.5
Baltimore	Sparks Glencoe	21152	16	9	3.1%	2.7%	12.1	38.4	34.9	48.3	33.4
Baltimore	Sparrows Point	21219	47	15	6.8%	6.5%	35.6	61.7	76.6	114.7	72.1
Baltimore	Towson	21204	23	6	3.3%	1.9%	17.4	24.0	37.0	34.4	28.2
Baltimore	Towson	21286	28	5	3.0%	2.3%	21.2	20.3	34.0	41.1	29.1
Baltimore	White Marsh	21162	17	15	6.8%	4.1%	12.9	63.7	77.0	72.2	56.5

Table 10. "Moderate" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Rate	Number	Subprime Share	Delinquency Rate	Foreclosure Indices
Baltimore	Woodstock	21163	25	10	4.7%	2.5%	18.9	42.5	53.7	44.1	39.8
Baltimore City	Hampden	21211	93	21	7.2%	4.9%	70.4	85.1	81.4	85.8	80.7
Baltimore City	Roland Park	21210	18	5	3.5%	1.5%	13.6	22.1	39.4	25.7	25.2
Calvert	Chesapeake Beach	20732	72	23	5.7%	4.3%	54.5	95.9	64.4	75.3	72.5
Calvert	Dunkirk	20754	20	9	4.0%	2.7%	15.1	36.5	44.9	47.7	36.1
Calvert	Huntingtown	20639	48	11	6.3%	3.6%	36.3	44.3	70.8	63.1	53.6
Calvert	Owings	20736	32	11	4.7%	3.4%	24.2	46.1	53.2	59.7	45.8
Calvert	Port Republic	20676	21	17	6.5%	4.5%	15.9	68.2	73.7	79.9	59.4
Calvert	Prince Frederick	20678	50	17	7.7%	5.4%	37.8	70.6	87.2	94.7	72.6
Calvert	Saint Leonard	20685	41	19	6.0%	4.6%	31.0	79.2	68.2	81.3	64.9
Caroline	Henderson	21640	12	22	15.4%	5.9%	9.1	90.0	174.6	104.4	94.5
Caroline	Preston	21655	12	7	11.1%	8.9%	9.1	28.6	125.7	156.9	80.1
Carroll	Finksburg	21048	28	8	5.5%	3.1%	21.2	31.3	62.2	55.4	42.5
Carroll	Hampstead	21074	67	14	5.9%	4.5%	50.7	56.4	66.9	79.0	63.3
Carroll	Keymar	21757	11	12	8.1%	4.9%	8.3	50.0	91.7	87.3	59.3
Carroll	Manchester	21102	50	16	6.4%	4.7%	37.8	66.6	72.9	82.4	64.9
Carroll	New Windsor	21776	25	14	5.5%	4.2%	18.9	56.2	62.2	74.4	52.9
Carroll	Sykesville	21784	102	9	4.2%	2.9%	77.2	36.1	47.8	51.0	53.0
Carroll	Taneytown	21787	62	21	9.5%	6.8%	46.9	85.0	107.0	120.2	89.8
Carroll	Westminster	21157	138	13	5.5%	3.9%	104.5	55.5	62.6	68.9	72.8
Carroll	Westminster	21158	92	15	6.4%	5.0%	69.6	61.2	71.8	88.9	72.9
Cecil	Chesapeake City	21915	19	16	5.9%	3.6%	14.4	65.4	67.2	63.1	52.5
Cecil	Conowingo	21918	15	12	7.6%	5.9%	11.4	49.8	85.7	104.3	62.8
Cecil	Earleville	21919	14	12	7.4%	5.1%	10.6	47.6	84.0	89.3	57.9
Cecil	North East	21901	82	19	8.0%	5.3%	62.1	76.5	90.7	93.1	80.6
Cecil	Perryville	21903	29	15	8.9%	4.9%	22.0	63.2	100.3	86.7	68.0
Cecil	Port Deposit	21904	32	14	7.4%	5.2%	24.2	58.7	83.6	92.2	64.7
Cecil	Rising Sun	21911	35	11	6.9%	5.4%	26.5	46.3	78.1	95.1	61.5
Charles	Charlotte Hall	20622	12	10	5.0%	5.6%	9.1	39.3	56.5	98.9	51.0
Charles	Hughesville	20637	35	20	8.3%	4.9%	26.5	82.3	93.6	85.9	72.1
Charles	La Plata	20646	115	20	6.5%	4.4%	87.0	84.5	73.0	78.2	80.7

Table 10. "Moderate" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Rate	Number	Subprime Share	Delinquency Rate	Foreclosure Indices
Charles	Nanjemoy	20662	17	19	11.1%	7.8%	12.9	79.8	126.0	138.3	89.2
Charles	Pomfret	20675	13	25	6.9%	4.3%	9.8	101.8	77.7	75.9	66.3
Dorchester	East New Market	21631	15	14	9.5%	7.8%	11.4	59.8	107.0	138.0	79.0
Frederick	Adamstown	21710	11	11	2.7%	2.6%	8.3	44.3	30.5	46.7	32.4
Frederick	Emmitsburg	21727	29	24	6.5%	4.7%	22.0	97.8	73.1	83.0	68.9
Frederick	Frederick	21704	73	24	6.4%	4.6%	55.3	98.6	71.9	80.9	76.7
Frederick	Ijamsville	21754	20	10	4.9%	2.5%	15.1	42.2	55.2	44.2	39.2
Frederick	Jefferson	21755	13	6	4.4%	2.6%	9.8	25.7	50.0	45.1	32.7
Frederick	Knoxville	21758	27	19	8.6%	6.2%	20.4	78.4	97.3	110.2	76.6
Frederick	Middletown	21769	55	16	3.8%	2.9%	41.6	67.5	43.3	51.5	51.0
Frederick	Monrovia	21770	18	9	4.2%	2.9%	13.6	38.1	47.8	51.1	37.7
Frederick	Mount Airy	21771	82	9	4.8%	2.5%	62.1	37.2	54.2	44.7	49.5
Frederick	Myersville	21773	18	11	4.5%	3.5%	13.6	44.4	50.3	62.3	42.7
Frederick	New Market	21774	68	20	5.4%	3.3%	51.5	82.8	61.3	59.0	63.6
Frederick	Sabillasville	21780	13	27	8.0%	5.8%	9.8	110.2	90.8	102.3	78.3
Frederick	Thurmont	21788	59	17	7.0%	4.4%	44.7	71.6	78.6	78.4	68.3
Frederick	Union Bridge	21791	24	15	9.3%	5.5%	18.2	59.8	105.6	96.4	70.0
Frederick	Walkersville	21793	71	24	6.9%	5.6%	53.7	100.0	77.5	99.0	82.6
Frederick	Woodsboro	21798	14	23	5.0%	3.6%	10.6	96.5	56.6	64.3	57.0
Garrett	Oakland	21550	42	9	6.3%	3.2%	31.8	38.8	71.2	57.3	49.8
Garrett	Swanton	21561	12	14	2.7%	1.2%	9.1	56.6	31.0	21.1	29.4
Harford	Bel Air	21014	101	9	4.0%	3.2%	76.4	36.0	45.3	57.3	53.8
Harford	Bel Air	21015	84	10	4.9%	3.4%	63.6	39.4	55.0	60.7	54.7
Harford	Churchville	21028	11	10	6.0%	3.2%	8.3	40.6	68.2	56.3	43.4
Harford	Darlington	21034	19	18	6.0%	7.4%	14.4	74.3	68.1	131.3	72.0
Harford	Fallston	21047	34	9	4.0%	2.7%	25.7	35.3	45.8	47.5	38.6
Harford	Forest Hill	21050	64	11	4.4%	2.9%	48.4	46.3	49.4	51.0	48.8
Harford	Havre de Grace	21078	75	16	6.8%	4.7%	56.8	65.6	76.3	82.9	70.4
Harford	Jarrettsville	21084	26	11	3.6%	3.4%	19.7	46.8	40.3	60.1	41.7
Harford	Joppa	21085	81	16	7.7%	5.3%	61.3	65.7	87.0	94.0	77.0
Harford	Pylesville	21132	17	19	5.3%	3.8%	12.9	76.7	59.4	67.1	54.0

Table 10. "Moderate" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Rate	Number	Subprime Share	Delinquency Rate	Foreclosure Indices
Harford	Street	21154	26	13	4.2%	4.0%	19.7	55.1	47.9	70.2	48.2
Harford	Whiteford	21160	12	15	5.3%	5.7%	9.1	63.9	60.4	100.4	58.4
Howard	Clarksville	21029	18	5	2.9%	1.7%	13.6	22.4	32.3	29.2	24.4
Howard	Columbia	21044	143	13	5.9%	2.9%	108.2	55.4	66.7	50.4	70.2
Howard	Columbia	21046	76	18	5.0%	2.8%	57.5	72.7	57.0	49.3	59.1
Howard	Elkridge	21075	106	15	6.5%	4.1%	80.2	60.6	73.7	72.2	71.7
Howard	Ellicott City	21042	58	5	3.3%	1.6%	43.9	20.4	36.9	27.7	32.2
Howard	Ellicott City	21043	123	12	4.1%	2.2%	93.1	51.4	45.9	39.5	57.5
Howard	Jessup	20794	46	21	9.8%	5.4%	34.8	86.2	110.4	96.1	81.9
Howard	Marriottsville	21104	15	12	5.0%	3.2%	11.4	51.2	56.8	57.3	44.2
Howard	Woodbine	21797	23	8	4.3%	2.0%	17.4	34.0	48.2	35.6	33.8
Kent	Chestertown	21620	33	9	6.7%	5.4%	25.0	38.4	75.4	94.9	58.4
Kent	Millington	21651	20	23	8.4%	7.2%	15.1	95.2	95.0	126.6	83.0
Montgomery	Bethesda	20814	42	6	2.8%	1.2%	31.8	24.4	31.2	22.0	27.3
Montgomery	Bethesda	20816	20	4	3.1%	0.7%	15.1	15.4	34.6	11.9	19.3
Montgomery	Bethesda	20817	52	5	3.4%	1.0%	39.4	19.7	38.6	16.9	28.6
Montgomery	Boyds	20841	44	18	5.0%	3.0%	33.3	72.5	56.8	52.3	53.7
Montgomery	Brookeville	20833	19	9	5.0%	1.9%	14.4	36.4	56.6	33.6	35.2
Montgomery	Chevy Chase	20815	26	3	3.8%	0.9%	19.7	12.7	43.5	15.8	22.9
Montgomery	Clarksburg	20871	114	37	4.8%	3.9%	86.3	152.9	54.4	69.1	90.7
Montgomery	Damascus	20872	68	19	6.2%	3.6%	51.5	78.6	70.2	64.1	66.1
Montgomery	Derwood	20855	59	14	4.8%	2.4%	44.7	58.9	54.1	42.8	50.1
Montgomery	Gaithersburg	20878	283	18	4.3%	2.3%	214.2	72.8	49.1	41.0	94.3
Montgomery	Gaithersburg	20882	68	14	5.3%	2.8%	51.5	59.4	60.3	48.8	55.0
Montgomery	Kensington	20895	46	7	4.4%	1.9%	34.8	29.4	50.1	33.5	37.0
Montgomery	Olney	20832	107	13	4.5%	2.5%	81.0	55.4	50.9	44.5	57.9
Montgomery	Poolesville	20837	19	11	6.7%	3.1%	14.4	45.7	76.0	54.4	47.6
Montgomery	Potomac	20854	90	6	3.8%	1.2%	68.1	23.8	43.3	21.9	39.3
Montgomery	Rockville	20850	121	11	3.8%	2.0%	91.6	44.3	43.5	34.8	53.6
Montgomery	Rockville	20851	74	23	8.4%	4.8%	56.0	96.3	95.4	84.3	83.0
Montgomery	Rockville	20852	119	12	3.9%	1.8%	90.1	47.6	43.9	32.1	53.4

Table 10. "Moderate" Foreclosure Problem Communities -- Foreclosure Data and Intensity Indices											
			Foreclosures				Foreclosure Indices		Mortgage Indices		
Jurisdiction	Post Office Name	Zip Code	Number	Rate	Subprime Share	Delinquency Rate	Rate	Number	Subprime Share	Delinquency Rate	Foreclosure Indices
Montgomery	Silver Spring	20901	165	18	6.1%	3.4%	124.9	75.2	68.4	59.9	82.1
Montgomery	Silver Spring	20905	113	20	6.7%	3.5%	85.5	83.6	75.3	61.0	76.4
Montgomery	Silver Spring	20910	98	15	4.4%	1.9%	74.2	61.4	49.2	34.4	54.8
Montgomery	Takoma Park	20912	99	27	5.9%	3.1%	74.9	109.5	66.8	54.6	76.5
Queen Anne's	Centreville	21617	37	13	6.9%	4.4%	28.0	53.1	77.5	77.4	59.0
Queen Anne's	Chester	21619	24	11	5.4%	3.3%	18.2	47.4	61.5	59.1	46.5
Queen Anne's	Grasonville	21638	23	15	6.8%	4.7%	17.4	60.4	77.4	83.5	59.7
Queen Anne's	Queenstown	21658	17	14	5.5%	3.8%	12.9	56.1	61.9	66.3	49.3
Queen Anne's	Stevensville	21666	58	14	6.4%	4.2%	43.9	56.1	72.8	73.7	61.6
Queen Anne's	Sudlersville	21668	11	19	12.6%	6.3%	8.3	77.5	142.9	111.1	85.0
Somerset	Deal Island	21821	12	27	7.9%	5.6%	9.1	110.8	89.5	98.2	76.9
St. Mary's	California	20619	45	16	4.4%	2.9%	34.1	66.6	49.6	51.3	50.4
St. Mary's	Great Mills	20634	42	29	6.8%	5.8%	31.8	118.0	77.4	102.6	82.4
St. Mary's	Hollywood	20636	36	12	5.1%	3.2%	27.2	51.1	57.8	55.8	48.0
St. Mary's	Leonardtown	20650	22	6	4.1%	3.0%	16.7	23.4	46.9	53.1	35.0
St. Mary's	Mechanicsville	20659	113	16	7.2%	5.8%	85.5	67.1	81.8	103.1	84.4
Talbot	Easton	21601	74	11	5.9%	3.7%	56.0	46.0	67.1	64.8	58.5
Talbot	Saint Michaels	21663	11	7	4.5%	2.2%	8.3	30.0	51.1	38.9	32.1
Talbot	Trappe	21673	17	16	9.1%	3.3%	12.9	65.0	102.6	58.3	59.7
Washington	Boonsboro	21713	60	20	5.1%	5.5%	45.4	84.3	57.3	96.8	71.0
Washington	Clear Spring	21722	25	14	7.2%	4.4%	18.9	59.5	81.9	77.7	59.5
Washington	Hancock	21750	15	14	10.4%	7.1%	11.4	56.9	117.2	125.5	77.8
Washington	Keedysville	21756	18	17	7.5%	6.1%	13.6	71.0	84.5	108.1	69.3
Washington	Sharpsburg	21782	16	11	9.8%	6.3%	12.1	47.1	110.7	111.3	70.3
Washington	Smithsburg	21783	46	13	6.9%	4.6%	34.8	55.2	78.3	80.8	62.3
Washington	Williamsport	21795	39	14	6.1%	6.1%	29.5	56.4	69.3	107.8	65.7
Wicomico	Delmar	21875	30	17	11.2%	6.5%	22.7	71.1	126.1	114.7	83.6
Wicomico	Fruitland	21826	17	15	10.8%	7.3%	12.9	60.3	122.5	129.5	81.3
Wicomico	Hebron	21830	21	19	9.0%	7.9%	15.9	77.7	102.2	138.8	83.6
Wicomico	Parsonsburg	21849	12	11	8.2%	5.6%	9.1	44.4	93.1	98.5	61.3
Wicomico	Salisbury	21804	129	14	7.9%	5.3%	97.6	57.2	89.8	93.9	84.6

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Wicomico	Willards	21874	16	21	9.1%	7.9%	12.1	86.2	103.2	138.7	85.0
Worcester	Berlin	21811	111	14	3.9%	3.5%	84.0	57.3	44.5	62.5	62.1
Worcester	Ocean City	21842	169	41	3.1%	2.5%	127.9	169.9	35.4	43.4	94.2
Worcester	Pocomoke City	21851	44	22	9.7%	7.9%	33.3	90.1	110.1	139.9	93.4
Worcester	Snow Hill	21863	21	14	9.9%	5.1%	15.9	57.5	112.3	90.1	69.0

B. Distribution and Uses of Funds

The State of Maryland was allocated $26,704,504 in NSP funding. Additional NSP funding was provided directly to Baltimore City as well as Baltimore, Montgomery, and Prince George's Counties. The State will use its allocation of NSP funds by providing grants to eligible recipients (including the NSP entitlement jurisdictions above) and by directly administering loans and grants under existing DHCD programs.

Eligible Uses for NSP Funds

With a few exceptions, NSP funding is to be administered as federal Community Development Block Grant (CDBG) funding. Each activity funded under Neighborhood Stabilization must meet a CDBG national objective as stated in Title I of the Housing and Community Development Act of 1974. All activities and projects must meet the national objective of benefit to low and moderate income persons; however, for the purposes of these funds only, HUD has created a new income category of "middle income" which is for households between 80 and 120% of the area median income. Income limits for the State of Maryland are attached as Exhibit A.

Eligible uses for NCI funds are:

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 share-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 land banks for homes that have been foreclosed upon.

D. Demolish blighted structures.

E. Redevelop demolished or vacant properties.

The State has chosen to restrict activities to those that provide benefit through housing, benefit to a qualified area, and those that benefit a limited clientele. Below are examples of how funds can be used to meet the national objective:

Low-Moderate-Middle-Income - Housing Activities (LMMH): Providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120% of area median.

- Acquisition and rehabilitation of houses for homeownership
- Acquisition and rehabilitation of houses for rental use
- Construction of housing units for homeownership or rental
- Homeownership Assistance such as:
    - Downpayment assistance
    - Settlement costs
    - Shared Equity loans
    - Lease to Own Programs
    - Workforce Housing Programs
- Infrastructure for housing as part of the redevelopment
- Landbanks when redevelopment funds are imminent

Low-Moderate-Middle-Income – Area Benefit (LMMA): Benefitting all the residents of a primarily residential area in which at least 51% of the residents have incomes at or below 120% of area median income.

- Grantees must identify the service area of each NSP-funded activity.
- Acquisition and demolition of abandoned or foreclosed upon structures
- Demolition of blighted structures
- Land banks if maintenance and demolition also take place
- Development of a park
- Construction of a community center

Low-Moderate-Middle-Income - Limited Clientele Activities (LMMC): Serving a limited clientele whose incomes are at or below 120% of area median.

- Housing counseling for prospective purchasers/tenants
- Public facilities such as emergency shelters or group homes
- Construction of a senior center
- Construction of a daycare

HUD is requiring that a minimum of 25% of the State's HUD allocation must be used to purchase and redevelop abandoned or foreclosed upon homes that will be used to house individuals or families whose incomes do not exceed 50% of the area median. While DHCD will largely address this requirement through its direct use of NSP funding, the State's grantees will be encouraged to incorporate strategies that will assist the State in meeting or exceeding the minimum goal of serving households at or below 50% AMI.

The method of distribution to be used by the State of Maryland is as follows:

Use	Funding	Percent
Grants to Eligible Recipients	$17,357,928	65%
DHCD Direct Use	$ 6,676,126	25%
Administration	$ 2,670,450	10%
TOTAL	**$26,704,504**	**100%**

DHCD Direct Use

The State will use $6,676,126 for direct activities. The funding will be used in conjunction with the existing programs of DHCD's Community Development Administration (CDA). It is anticipated that this funding will be used for multi-family, transitional, shelter, Housing First and Group Homes. Eligible applicants will include non-profits, for-profits, local government and public housing authorities. More detailed information regarding these efforts will be found under Section G of this Plan.

Funding will also be used for downpayment and closing cost assistance for individuals who participate in the Maryland Mortgage Program (MMP). More detailed information regarding these efforts will be found under Section G. of this Plan.

Administration

The State is allowed to use up to 10% of the allocation for general administrative costs. The majority of these funds will pay for staffing and other administrative expenses related to the State's management of the NSP funding.

Applicants may request funding to cover their general administrative costs, however, we request that these requests be kept to a minimum. Applicants may request funds on behalf of themselves, their partners and subrecipients for project delivery and administration costs.

Grant to Eligible Recipients

The State will provide up to $17,357,928 of the funds as grants through a competitive process to eligible recipients to carry out activities at the local level. Eligible recipients are Entitlement Cities, County Governments, and Public Housing Authorities who submitted a Preliminary Proposal which were submitted to the State on or before 12 noon, November 5th, 2008.

Government applicants were strongly encouraged to work with local partners including non-profit organizations and municipal governments to develop their application. Public housing authorities should coordinate their efforts with either their eligible county applicant or entitlement city applicant.

As noted above, HUD provided NSP funds directly to Baltimore City, Baltimore County, Montgomery County and Prince George's County. Those governments are eligible and encouraged to apply for additional funds from the State's allocation. The funds requested from the State should supplement the activities they intend to complete with their own allocations.

Process Overview

Preliminary Proposal Submission

Applicants must have submitted a preliminary proposal by November 5, 2008 to DHCD to be eligible to submit an application. The preliminary proposal will be reviewed to determine the eligibility of projects being considered by applicants and whether the projects are targeted to areas of greatest need. DHCD staff will consult with the applicants on outstanding issues. However, the State will retain some flexibility as to preliminary proposal submissions to ensure that areas with the greatest need and highest impact projects are considered.

Policies and Regulations

Adjustable Rate Mortgages: No adjustable rate mortgages can be used by persons acquiring houses assisted with these funds. Mortgages must be for a fixed rate for a minimum of 30 years.

Davis Bacon Labor Standards: Davis Bacon will be required for new construction for projects over $2,000.

Demolition: Applicants must provide projected outcomes for all properties demolished with these funds with the exception of land banking.

Eminent Domain: These funds can not be used in conjunction with properties acquired through eminent domain under the State's initiative.

Environmental Review: All activities and projects must comply with the 24 CFR Part 58.

Housing Counseling: Each homebuyer assisted with these funds is required to receive and complete at least 8 hours of homebuying counseling from a HUD-approved housing counseling agency before obtaining a mortgage loan. The counseling can be funded with these funds.

Priority Funding Areas: All new construction with these funds must be within a State designated Priority Funding Area.

Property Acquisition: Each foreclosed property acquired with NSP funding must be acquired at a minimum discount of 5% below their current appraised value. That said, each applicant is encouraged to obtain as much discount as possible. The overall portfolio of all properties purchased with the State's allocation must meet a minimum of 15% discount. Each transaction will require a current appraisal completed within 60 days of an offer made for the property.

Relocation Activities: No funds can be used on relocation activities under the State's initiative. Only vacant properties may be acquired when using these funds. Temporary relocation is the exception to this policy.

Subprime Mortgages: No subprime mortgages can be used by persons acquiring houses assisted with these funds under the State's initiative.

Uniform Relocation Act: All property acquisition is subject to the requirements of the Uniform Relocation and Real Properties Act. This applies to both voluntary and involuntary transactions.

Application Process

Final applications will be due on January 15, 2009. They will be evaluated in a three-step process: threshold review, application evaluation and funding recommendation. Applicants will be informed in writing if their application contains ineligible activities. Applications will be rated and ranked by a team of DHCD staff. Funding recommendations will be made first to the Assistant Secretary of the Division of Neighborhood Revitalization and then to the Secretary of DHCD.

Application Evaluation

The NSP requires that funding be provided to neighborhoods and communities of greatest need including those:

- with the greatest percentage of home foreclosures;
- with the highest percentage of homes financed by a subprime mortgage related loan; and
- identified as likely to face a significant rise in the rate of home foreclosures.

Applications should consider the needs and input of the community or neighborhood that has been affected. Projects and plans of prospective partners should be incorporated. Applications submitted should contain a description of net increases in affordable housing as well as describe why other non-housing projects should be included. Applications should consider development processes that incorporate green building practices and energy efficiency for rehabilitation and new construction of houses as well as water conservation approaches to land development. Applications should also summarize other neighborhood revitalization investments that have been made in target areas in recent years.

All applications will be rated and ranked competitively by a review committee. They will use a 150 point rating scale. Point ranges have been established for criterion to gauge the extent to which the applicant meets the criterion. The following factors will be considered in determining the points assigned.

RANKING FACTOR	MAXIMUM POINTS
Community Need • Targeting (40) • Discussion of Foreclosure Impact (10) • Community Support (10)	**60 Points**
Capacity & Readiness to Execute • Readiness to Proceed (25) • Management Capacity (10) • Documentation of Costs (5)	**40 Points**
Impact of NCI Strategy • Impact of Activities (15) • Increase of Affordable Housing (10)	**25 Points**
Partnerships, Leverage & Coordination • Financial Commitment of Applicant (10) • Financial Commitment of Partners (10) • Leveraging of Other Funds (5)	**25 Points**

Additionally, there is the possibility that applicants can receive up to 15 bonus points. Up to 5 bonus points could be awarded for applications that incorporate significant green and energy efficient approaches to rehabilitation, building construction and land development. Up to 5 bonus points could be awarded to applications that contain projects that will meet the HUD requirement regarding housing individuals or families at 50% AMI. Up to 5 bonus points could be awarded for the quality of the Neighborhood Conservation Strategy.

Community Need (60 maximum points)

- Targeting - (40 maximum points) – Based on information provided by DHCD, effective November 24, 2008, 40 points maximum may be awarded to areas designated as Most Severe, 30 points maximum may be awarded to areas designated as Severe; and 20 points maximum may be awarded to areas designated as high. No points will be awarded for other areas. Submissions with projects that cover multiple areas with different designations of need will receive weighted average scores on their applications.

- Discussion of Foreclosure Impact – (10 maximum points) – Up to 10 points can be awarded for applications that provide a detailed analysis of the impact of the foreclosure crisis on their community.

- Community Support - (10 maximum points) – Up to 10 points may be awarded based on evidence of community support and involvement in the application, its development and implementation. Letters of support and participation are strongly encouraged.

Capacity & Readiness to Execute (40 maximum points)

- Readiness to Proceed - (25 maximum points) – 25 points will be awarded to those applications where at least 50% of the identified projects can be implemented within 60 days of the award date. 15 points will be awarded for those where at least 25% of the identified projects can be implemented within 60 days of the award date. 5 points will be awarded for an application where less than 25% can be implemented within 60 days.

- Management Capacity - (10 maximum points) – Up to 10 points may be awarded based on the description of the experience of the applicant and its partners in the management of state and federal grants with particular emphasis on CDBG grants.

- Documentation of Costs - (5 maximum points) – Up to 5 points may be awarded for applications that provide documentation of costs associated with their activities.

Impact of Neighborhood Conservation Strategy (25 maximum points)

- Impact of Activities – (15 maximum points) – Up to 15 points may be awarded for strategies that adequately explain how their proposed activities will impact the targeted areas.

- Increase of Affordable Housing – (10 maximum points) – Up to 10 points may be awarded for strategies that increase the availability of affordable housing in the targeted areas.

Partnerships, Leverage & Coordination (25 maximum points)

- Financial Commitment of Applicant (10 maximum points) – 10 points will be awarded for those applications where the applicant's contribution exceeds 15% of the total costs for all projects. 5 points will be awarded for those applications where

the applicant's contribution is 5-14% of the total costs for all projects. No points will be awarded for those with contribution less than 5%.

- Financial Commitment of Partners (10 maximum points) - 10 points will be awarded for those applications where the partners' contribution exceeds 15% of the total costs for all projects. 5 points will be awarded for those applications where the partners' contribution is 5-14% of the total costs for all projects. No points will be awarded for those with contribution less than 5%.

- Leveraging of Other Funds (5 maximum points) – 5 points will be awarded for those applications with at least 25% from sources other than the applicant and it's partners.

Funds Recapture and Transfer

HUD has mandated a strict timeframe regarding the obligation and initiation of project activities. Funds must meet the HUD definition of obligated within 18 months of HUD's execution of the grant agreement with the State. Therefore, the State reserves the right to recapture awarded funds and transfer funds to other entities.

Grantees progress will be evaluated during the month of October 2009. If it is determined that progress has been limited and that activities have not been initiated, the State may recapture funding. First consideration of the recaptured funding will be made for DHCD's direct activities administered through CDA. If it is determined that DHCD does not have sufficient need for funding, a Notification of Available Funding will be sent by email to other grantees. Funds will be awarded on a first come, first serve basis.

Grantee progress will be evaluated during the month of February 2010. The same process as described above will also be followed at this time in the State's effort to meet HUD's time requirements.

Program Income

The State will comply with all program income requirements under NSP.

Public Hearing and Resolution

Each applicant is required to hold a public hearing prior to submission of their NCI application. The hearing must be advertised in a newspaper of general circulation at least five days prior to the hearing date.

The legislative body of the jurisdiction must pass a resolution in support of the submission of the application. A copy of the resolution must accompany the application.

Residential Anti-Displacement and Relocation Assistance Plan

Approved grantees are required to adopt and make public a residential anti-displacement and relocation assistance plan. Section 104(d) of the HCD Act of 1974, as amended, 42 U.S.C. § 5304(d), requires one-for-one replacement of all low and moderate income dwelling units housing the same number of occupants as could have been housed in the units demolished or converted to another use as a result of CDBG/NSP assistance. Section 104(k) of the HCD Act of 1974, 42 U.S.C. § 5304(k), requires that reasonable relocation assistance be provided to persons displaced as a result of the use of CDBG/NSP assistance to acquire or substantially rehabilitate property.

Though the State will require all acquired properties to be vacant, it is still a requirement of every grantee to have a plan on file. Grantees under NCI will be required to submit plans prior to disbursement of grant funds.

The State requires a jurisdiction's Residential Anti-Displacement and Relocation Assistance Plan to be updated every three years. The plan must be current at the time of application. They do not have to specifically reference NSP funding. Public Housing Authorities that are part of a local government can use their plan. Others will be required to submit their own plan. A sample Residential Anti-Displacement and Relocation Assistance Plan is provided in Exhibit E.

Certifications

Application certifications must be signed by the chief elected official of the government applicant or the board president of the public housing authorities. Additionally, we are also requiring certifications to be signed by each of your partners. They should be signed by the non-profit board president or chief elected official of the municipality. The certification forms are included in the application.

Application Submission Requirements

Applications are due on Thursday, January 15, 2009 by 5:00 p.m. Each applicant should submit one original application and five copies. Those received after the designated date and time will be rejected.

Applications should be submitted to:

Cindy Stone
Director
Office of Community Programs
Maryland Department of Housing and Community Development
100 Community Place
Crownsville MD 21032

Applicants must comply with the Maryland Intergovernmental Review and Coordination Process (COMAR 14.24.04). Simultaneous with the submission of any application for NCI funding to DHCD, applicants must submit to the State Clearinghouse **SIX COPIES** of a project profile to:

State Clearinghouse
301 W. Preston Street
Baltimore MD 21201

The profile must include a cover form; a summary briefly explaining the nature, purpose, scope and justification for the project; a map of the activity location and geographic area to be served; a budget identifying all sources and uses of funds; and staffing for the project. Comments from this review will be forwarded to DHCD.

Other Considerations

DHCD is exploring a collaboration with the National Community Stabilization Trust (NCST) to acquire or coordinate the acquisition of vacant real estate owned (REO) properties from financial institutions.

NCST's mission is to provide an efficient and cost-effective mechanism for transferring vacant and foreclosed properties from lenders, servicers and investors and GSEs to local programs working to stabilize targeted communities. NCST is co-sponsored by Enterprise Community Partners, the Housing Partnership Network, the Local Initiatives Support Corporation and NeighborWorks America in response to the immense scope of the current foreclosure crisis and the destabilizing impact of these foreclosed properties upon America's neighborhoods.

NCST may play the following role in DHCD's NSP program:

- **Access to REO Properties.** Through Master Agreements with financial institutions, NCST will provide efficient and cost-effective mechanisms for the acquisition of clusters of properties in vulnerable communities for rehabilitation as part of a comprehensive neighborhood stabilization strategy. Through NCST, purchasers designated by DHCD will have two acquisition mechanisms:
  a) a right of first offer to purchase REO properties located in targeted communities from lenders, investors, loan servicers, and GSEs (the "Sellers," as defined herein) prior to their being offered for sale or

  b) a bulk purchase program for purchasing significant numbers of currently-listed properties located in communities heavily affected by the foreclosure crisis.

- **Fair Pricing.** DHCD may employ transaction formats and portfolio valuation and pricing models developed by the NCST to make bids for REO properties. The NCST's pricing model has been designed to calculate a reasonable and market-based discount from the seller's asking price that reflects the transactional efficiencies and certainty of sale provided through participation in the NCST. Use of the NCST pricing model should ensure that property acquired through the program will be priced in a manner that meets HUD NSP guidelines.

C. Definitions and Descriptions

Blighted Structure: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare as defined by local code.

Affordable Rents: Affordable rents cannot exceed those that comply with the Federal Low Income Housing Tax Credit Program for households earning less than 60% of median income, HOME limits for households earning 60 to 80 percent of median income, and 30 percent of median income for households earning more than 80% of median income.

Continued affordability: The minimum affordability restriction the State will meet using NSP funds will be the same for the HOME program. The State will use the longer, more restrictive standards when NSP funds are combined with funds with longer affordability standards such as Federal Low-Income Housing Tax Credits (30 years for rental housing) or the State's own Group Home Program (20 year minimum).

Minimum Affordability Periods	
Investment per Unit	**Minimum Length of the Affordability Period**
Less than $15,000	5 years
$15,000 - $40,000	10 years
More than $40,000	15 years
New construction of rental housing	20 years

DHCD will ensure continued affordability by requiring that all loans be secured by a Deed-of-Trust. The nature of equity at resale, continued affordability, and future income to the State's NSP program must be addressed and approved by DHCD. Existing Maryland CDBG program policies will be used as a model for development of a Maryland NSP Grant Management manual that will provide specific guidance, regulations, and sample documents for use by Maryland NSP subrecipients.

Long term affordability monitoring will be undertaken by CDBG program staff as well as DHCD's Asset Management staff in the Division of Credit Assurance who currently oversee over 45,000 rental housing units and 14,000 homeownership units for DHCD.

Rehabilitation Standards: Any rehabilitation done using NSP funds will meet, at a minimum, current HOME rehabilitation standards. The State is in the process of developing updated standards for the HOME, CDBG, and NSP programs which are expected to be completed in the Spring of 2009.

Abandoned: A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

Foreclosed: A property has been foreclosed upon at the point that, under state or local law, the mortgage or tax foreclosure is complete. The title must have been transferred from a former owner under a foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state law.

D. Low Income targeting

HUD requires grantees to identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income.

DHCD will use a minimum of $6,676,126 in funding to assist households earning less than 50 percent of median income.

E. Acquisition & Relocation

HUD requires grantees to indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).

DHCD and eligible applicants have supplied information and estimates as to how they could use NSP funding. Though the estimate is quite large against the amount of funds available, up to 843 housing units could be affected. It was estimated that:

1) 356 housing units to be acquired and resold or used for rentals
2) 6 housing units will be acquired and banked for future development
3) 10 substandard, vacant housing units to be redeveloped
4) 300 substandard, vacant housing units to be demolished
5) 15 housing units demolished and replaced with four 4 new ones
6) 6 housing units to be acquired and used for group homes
7) 50 households will receive downpayment assistance to acquire units
8) 100 units of rental housing will be developed through rehabilitation or construction

Assumptions could be made that at least 70% or 590 of the units were previously used or available to low and moderate income persons (under 80% of area median income). By the nature of NSP, conversion will occur for the majority of these units as the income limits have been raised to 120% of area median income for qualifying households. Additionally, the estimates include 315 low and moderate income units that could be demolished.

1) 356 housing units to be acquired and resold or used for rentals
2) 6 housing units will be acquired and banked for future development
3) 10 substandard, vacant housing units to be redeveloped
4) 6 housing units to be acquired and used for group homes
5) 50 households will receive downpayment assistance to acquire units
6) 100 units of rental housing will be developed through rehabilitation or construction

Of the 528 housing units, 152 of the resulting units could be made available for households whose income does not exceed 50% of the area median income. The activities that will create this housing will begin in January 2009 and be completed by June 30, 2013.

F. Public Comment

The NSP substantial amendment was posted to DHCD's website on Thursday, November 6, 2008, with comments taken through COB Friday, November 21, 2008. Notice of the availability of the amendment for comment was placed in major newspapers throughout the State. In addition, DHCD sent out a mass mailing to about 800 organizations and individuals who where potential stakeholders in the NSP Plan amendment, including municipal and county executives, CDBG contacts, public housing authorities, community action agencies, community action agencies, faith-based organizations, advocacy organizations, AIDS/HIV organizations, nonprofit organizations and local housing and community development contacts, among others, advising them about the availability of and the comment period on the draft NSP amendment to the Action Plan Both the letters and the advertisements let the public know that they could obtain free copies of the draft Amendment to the Action Plan either by calling or writing DHCD, or visiting DHCD's website. In addition, both the advertisement and letters let people know they could also obtain copies of the draft Plan through the State's regional lending libraries, including the Enoch Pratt Free Library in Baltimore, the Blackwell Library in Salisbury, the Washington County Free Library in Hagerstown, the Lewis J. Ort Library in Frostburg, the Frederick Douglas Library in Princess Anne, and the Southern Maryland Regional Library in Charlotte Hall. The advertisements also noted that a large print version of the Action Plan was provided to the Maryland Library for the Blind and Physically Handicapped. Finally, these advertisements also informed the public that they could submit comments on the draft Plan in writing via either traditional or e-mail.

No substantive oral comments where received on the draft NSP Plan. Written comments where submitted that included the following:

1. DHCD should increase the percentage of funds for Very Low Income households (VLI) from 25% to 40% and require that half of these funds be used for Extremely Low Income Households (ELI).

While DHCD is committed to serving very low and extremely low-income households with rental housing assistance, the Department will not increase the income targeting of NSP funds. There are a number of reasons for this. First, in the case of homeownership, it would be extremely difficult to bridge the gap between incomes extremely low-income households earn and house prices without extremely deep subsidies typically in excess of $250,000 to $300,000 (or more) per household. Even with those types of subsidies, it is unclear whether extremely low and very low income households would have adequate income to still pay a portion of the mortgage, let alone maintenance, property taxes, insurance etc. In the case of rental housing, HUD has interpreted the NSP statute narrowly so that, for example, NSP-funded transitional housing opportunities for homeless persons or households with extremely low income cannot be counted toward meeting the 25% threshold. Regardless of that narrow interpretation, DHCD expects to use NSP funds for both transitional and permanent housing for very low and extremely low income households. Given the difficulties in ensuring long-term affordability, the current program income and revenue provisions of the Act, and the narrow interpretation of what constitutes a low-income household, DHCD has determined that it needs to retain as much flexibility as the Act allows and will not mandate in the Plan deeper income targeting. DHCD will encourage grantees to help assist lower income households and continue to make concerted efforts to meet and exceed the 25% target.

2. DHCD must include fair housing goals in the Amendment and Plan. (NOTE: This comment also included a discussion that DHCD target more funds to "opportunity areas" – areas that have low foreclosure rates and are economically health - rather than just the worst areas in order to promote fair housing goals that segued into the comment below.

Both the Consolidated Plan and the Action Plan amendment include certifications to affirmatively further fair housing. DHCD will also include in its grant agreements that recipients of NSP funding take steps to affirmatively further fair housing.

3. The Plan should set aside $2 million for direct activities involving acquisition of vacant, foreclosed homes in higher opportunity areas for use as affordable housing for very low income households.

In regard to opportunity areas, while DHCD agrees that this type of activity would be useful, a review of the draft NSP Plan Amendment by the HUD field office, as well as further policy directives by HUD's central office in Washington D.C. has emphasized and re-emphasized the need to target NSP funds to the areas with the highest rates of foreclosures, vacancies, and subprime loans. While the first draft Plan included some use of NSP funds in the "opportunity" areas (and we would have liked to do more), guidance from HUD on the draft informed us that our draft NSP Plan allowed too much activity in the "opportunity areas" and we were informed that the NSP Plan would be turned down if we provided assistance in those areas. In addition, they also informed as that our needs data in the draft Plan, as well as our rating and ranking in the draft Plan, needed to give more priority to areas with higher foreclosures, vacancies, and subprime mortgages rather than opportunity areas. Consequently, we have been required to move in a

different direction with more emphasis on the areas with the greatest problems rather than taking advantage of opportunities in less impacted areas.

4. The Plan should emphasize the goal of maintaining existing occupancy in foreclosed properties.

The discussion for this comment basically requested DHCD to help renters in foreclosed properties stay in those properties and suggested that DHCD help owners whose properties are foreclosed stay in their properties as renters and/or should be assisted to buy back their homes with NSP funds. The issue on assisting renters or owners staying on in their homes as renters is that DHCD does not control occupancy of the unit that is foreclosed upon. It is up to the bank and/or mortgage holder to determine if renters or owners are allowed to stay in their properties once they have been foreclosed. (Note: DHCD has information on its website to assist renters who live in homes that have been foreclosed upon and has programs in place to help owners refinance their mortgages before they go into foreclosure.) In terms of selling properties back to previous owners, there are no provisions preventing this under NSP, either by DHCD or HUD.

5. The Plan should include a definition of "affordable rent" that is consistent with the HERA requirement that at least 25% of total funding be used for households at or below 50% of AMI (as opposed to the 60% tax credit limits In addition, the comment called for renters to pay no more than 30% of income for rent).

DHCD will follow the federal LIHTC rent methodology in establishing rents for NSP funded projects. While paying no more than 30% of income for housing is the ideal, mandating that rents vary by household occupying a unit will impact the long term financial feasibility of the project. Persons occupying a unit may not have a Section 8 Voucher or other assistance that can cover the difference between paying 30% of their income for rent and the rental revenue the units must generate to cover operating expenses. The methodology used in the Tax Credit program balances the long term financial viability of the project with the affordability needs of the resident. Following this model is a prudent areas reasonable means of providing housing affordability today and for the future. If a project can not cover basic costs (let alone any debt service) the property in question will become blighted and conceivably foreclosed on again without adequate rents.

6. The affordability periods should be longer (suggested affordability periods where provided).

DHCD will not increase affordability periods for NSP funds beyond those already noted in the Plan. The NSP regulations require, at a minimum, that NSP affordability periods must be at least as long as for the federal HOME program (which are longer than typical CDBG affordability periods). In addition, we note in the Plan that should NSP funds we combined with another source of funds, such as Federal-Low Income Housing Tax Credits or State Group Home funds, the longer affordability period of those programs (which are

longer still than the Federal HOME requirements) will apply. Setting yet another set of long term affordability criteria in addition to the HOME limits, Tax Credit limits, Group Home limits, etc. will make it more difficult to combine and/or leverage NSP with other funding sources. Since any combined source of funds using NSP will already require longer affordability periods than that of HOME, we believe the current policy will adequately address long-term needs.

G. NSP Information by Activity (Complete for each activity)

The information on the following pages shows how the State of Maryland intends to use NSP funding. Program activity for DHCD self-administered programs is based on our best estimates of what we will be able to achieve with NSP funding. For the competitive portion of NSP funding, DHCD received $56,699.935 in requests for $17,357,928 in funding. Applications broke down in the following categories:

Preliminary Applications for NSP Funding		
Activity Type	Proposed Results	Funding Request
Landbanking	6 units	$1,500,000
Acquisition/Rehabilitation/Financing	365 units	$51,809,635
Redevelopment – Housing	14 units	$1,080,000
Redevelopment – Nonhousing	4 projects	$1,815,000
Counseling	87 Households	$495,300
TOTAL REQUESTS		**$56,699,935**

Dollar figures and performance measures under the competitive categories are projected based on pro-rata shares of total preliminary applications for the competitive portion of NSP funding and are rounded to the nearest dollar, unit, household or project. Results may differ upon final award.

DHCD Transitional Housing

(1) Activity Name:

DHCD – Transitional Housing and Shelters

(2) Eligible Use/Activity Type:

NSP Eligible Use: E
CDBG Activity Type: Construction and Acquisition/Rehabilitation – 24 CFR 570.291(c)

(3) National Objective:

Limited Clientele - presumed

(4) Activity Description:

Funds will be used to support the development of transitional housing and shelters to serve the homeless or those at risk of homelessness. These facilities typically serve individuals with extremely low incomes, at or below 50% AMI. However, because the facilities will not provide permanent housing, they will not meet the requirement to provide permanent housing for those at or below 50% AMI. To the extent possible, NSP funds will be used in conjunction with CDA's existing Emergency Shelter and Transitional Housing Facilities Grant Program.

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

One facility providing 25 beds

(7) Total Budget:

$500,000 of NSP funds. Estimated total project costs: approximately $3 million

(8) Responsible Organization:

Community Development Administration (CDA) of DHCD
Multifamily Housing Division
Contact Person: Patricia Rynn Sylvester, Director
Phone: 410-514-7481
Email: sylvester@mdhousing.org

(9) Projected Start Date:

Spring 2009

(10) Projected End Date:

June 2013

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate - minimum of 5%

For financing activities, include:

- range of interest rates 0% - 7.5%

For housing related activities, include:

- duration or term of assistance; 30-40 year loan terms
- tenure of beneficiaries--rental or homeownership; rental
- a description of how the design of the activity will ensure continued affordability - affordability is a condition of assistance (see affordability discussion above in Plan.)

DHCD Rental Housing

(1) Activity Name:

DHCD – Rental Housing

(2) Eligible Use/Activity Type:

NSP Eligible Use – B, D, or E
CDBG Activity Type - Housing – Construction and Acquisition/Rehabilitation of rental housing – CFR 570.201(n), 570.202, 570.204

(3) National Objective:

LMMI Housing

(4) Activity Description:

Funds will be used to support the development of rental housing units primarily benefitting households at or below 60% AMI in the areas of greatest need as defined elsewhere in the plan (See Maps prepared by DHCD Research). From 2008-2015, Maryland faces an overall shortage of 138,525 units of affordable and available rental housing, the vast majority of this need is for units serving households at or below 50% AMI. This estimate includes a need for 23,327 units of rental housing for seniors, 29,373 units for persons with disabilities, and 85,825 units for families. The foreclosure crisis only exacerbates this need for rental housing, particularly in areas hit hard by foreclosures. To the extent possible, NSP funds will be used in conjunction with existing rental housing financing programs, particularly the federal Low Income Housing Tax Credit Program, HOME, and State-funded rental financing programs. A significant portion of the funds used with these programs are likely to benefit households at or below 50% AMI. Additionally, CDA may provide funding to develop permanent rental housing units for households with special needs, such as the non-elderly disabled or the homeless or those at risk of homelessness. This housing will primarily benefit households at or below 50% AMI. Another potential use of the funds will be to support the development of rental housing for households between 60% and 120% AMI, a population not currently served by the Department's existing rental housing finance programs.

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

50% AMI or below: 50 units
51-80% AMI: 50 units
81-120% AMI: 0

(7) Total Budget:

$4.0 M of NSP funds. Estimated total project costs: approximately $25 million

(8) Responsible Organization:

Community Development Administration (CDA) of DHCD
Multifamily Housing Division
Contact Person : Patricia Rynn Sylvester, Director
Phone: 410-514-7481
Email: sylvester@mdhousing.org

(9) Projected Start Date:

Spring 2009

(10) Projected End Date: July 2013

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate – 5%

For financing activities, include:

- range of interest rates 0-4%

For housing related activities, include:

- duration or term of assistance;
    1. HOME Program requirements at a minimum. If used in conjunction with other affordable rental housing programs, the term of the other program (LIHTCs, State-Programs) if more stringent than HOME. Typical term is likely to be 30-40 years
- tenure of beneficiaries--rental or homeownership;
    1. Rental
- a description of how the design of the activity will ensure continued affordability
    1. NSP funds will be used in conjunction with other existing affordable rental financing programs to the extent possible. Typical term of affordability is 30-40 years for these other programs. Using the NSP funds in conjunction with existing programs will ensure long term affordability
    2. **To the extent that NSP funds are used for a project that receives no other public affordable housing finance, the project will be required to meet the federal HOME requirements for affordability**

DHCD Group HOME Program

(1) Activity Name:

DHCD Group Home

(2) Eligible Use/Activity Type:

NSP Eligible Use: B
CDBG Activity Type: Acquisition/rehabilitation of single family houses for group homes - CFR 570.201(n)

(3) National Objective:

LMMI- Housing <50% median

(4) Activity Description:

Acquisition / rehabilitation of homes in areas A, B, C and D. (Most activities will occur in areas A and B, although activities may also occur in C and D on a case by case basis.) The activity will serve households at or below 50% of median.

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

Number of units serving persons at or below 50% of median - 4 (persons served approximately 12)

(7) Total Budget:

NSP Funds: $1,676,126
Average costs of $300,000-450,000 per project

(8) Responsible Organization:

Nonprofit State approved group home operators

(9) Projected Start Date: 01/01/2009

January 2009

(10) Projected End Date:

June 2013

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate - minimum of 5%

For financing activities, include:

- range of interest rates 0% - 7.5%

For housing related activities, include:

- duration or term of assistance; 30-40 year loan terms
- tenure of beneficiaries--rental or homeownership; rental
- a description of how the design of the activity will ensure continued affordability - affordability is a condition of assistance, see discussion of continued affordability in Plan

DHCD Downpayment and Settlement Assistance

(1) Activity Name:

DHCD Homebuyer Downpayment and Settlement Assistance

(2) Eligible Use/Activity Type:

NSP Eligible Use: A
CDBG Activity Type - Downpayment and Settlement Assistance – CFR 570.201(n)

(3) National Objective:

LMMI- Housing <120% median

(4) Activity Description:

To provide downpayment and settlement assistance to households using the Maryland Mortgage Program to acquire foreclosed or abandoned houses.

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

Projected total number of households assisted - 50

(7) Total Budget:

$500,000 ($10,000 per household)

(8) Responsible Organization:

Maryland Department of Housing and Community Development
Homeownership Programs
Tonna Phelps, Director
Phone: 410 514-7509
Email: phelps@mdhousing.org

(9) Projected Start Date: 01/01/2009

(10) Projected End Date: 06/30/2013

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate - minimum of 5%

For financing activities, include:

- range of interest rates 0%

For housing related activities, include:

- duration or term of assistance; 30-40 year loan terms
- tenure of beneficiaries--rental or homeownership; - homeownership
- a description of how the design of the activity will ensure continued affordability - affordability is a condition of assistance

Competitive Allocation to Local Governments – Housing Counseling

(1) Activity Name:

Competitive NSP Program – Housing Counseling

(2) Eligible Use/Activity Type:

NSP Eligible Use: B
CDBG Activity Type - Housing Counseling – 24 CFR 570.201(e)

(3) National Objective:

LMMI- Housing <120% median – public service

(4) Activity Description:

Housing counseling for homebuyers assisted with NSP

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

Projected total number of households assisted - 27 households (pro rata share of 87 in total requests)

(7) Total Budget:

$151,611 (pro rata share of $495,300 in total requests)

(8) Responsible Organization:

Maryland Department of Housing and Community Development
Neighborhood Revitalization Programs
Contact: Cindy Stone
Phone: 410 514-7256
Email: StoneC@md-housing.org

(9) Projected Start Date: 01/01/2009

(10) Projected End Date: 06/30/2013

Competitive Allocation to Local Governments – Land Banking

(1) Activity Name:

Competitive NSP Program – Land Banking

(2) Eligible Use/Activity Type:

NSP Eligible Use - C
CDBG Activity Type – Acquisition and Disposition – 24 CFR570.201 (a) and (b)

(3) National Objective:

LMMH-Housing

(4) Activity Description:

Land banking of property to provide future affordable housing

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

Projected total number of households assisted - 2 (pro-rata share of 6 households in total requests)

(7) Total Budget:

NSP Funding - $459,150 (pro-rata share of $1,500,000 in total requests)

(8) Responsible Organization:

Maryland Department of Housing and Community Development
Neighborhood Revitalization Programs
Contact: Cindy Stone
Phone: 410 514-7256
Email: StoneC@md-housing.org

(9) Projected Start Date: 01/01/2009

(10) Projected End Date: 06/30/2013

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate - minimum of 5%

For financing activities, include:

- range of interest rates 0%

For housing related activities, include:

- duration or term of assistance; 30-40 year loan terms
- tenure of beneficiaries--rental or homeownership; - homeownership
- a description of how the design of the activity will ensure continued affordability - affordability is a condition of assistance

Competitive Allocation to Local Governments – Redevelopment (non-housing)

(1) Activity Name:

Competitive NSP Program – Redevelopment (non-housing)

(2) Eligible Use/Activity Type:

NSP Eligible Use: D and E
CDBG Activity Type: Demolition and redevelopment 24 CFR570.201(a) and (c)

(3) National Objective:

LMMI Area

(4) Activity Description:

Demolition of vacant and blighted properties resulting in the redevelopment of sites meeting area benefit activities such as parking, parks, and blight removal.

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

Projected total number of projects - 1 (pro-rata share of 4 total requests)

(7) Total Budget:

NSP Funding - $555,571 (pro-rata share of $1,815,000 in total requests)

(8) Responsible Organization:

Maryland Department of Housing and Community Development
Neighborhood Revitalization Programs
Contact: Cindy Stone
Phone: 410 514-7256
Email: StoneC@md-housing.org

(9) Projected Start Date: 01/01/2009

(10) Projected End Date: 06/30/2013

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate - minimum of 5%

For financing activities, include:

- range of interest rates 0%

For housing related activities, include:

- duration or term of assistance; 30-40 year loan terms
- tenure of beneficiaries--rental or homeownership; - homeownership
- a description of how the design of the activity will ensure continued affordability - affordability is a condition of assistance

Competitive Allocation to Local Governments – Redevelopment of Housing

(1) Activity Name:

Competitive NSP Program – Redevelopment of Housing

(2) Eligible Use/Activity Type:

NSP Eligible Use: D and E
CDBG Activity Type: Demolition and redevelopment 24 CFR570.201(d) and (n)

(3) National Objective:

LMMIH- Housing

(4) Activity Description:

Demolition of vacant and blighted properties resulting in the redevelopment of sites for housing.

(5) Location Description:

Demolition of vacant and blighted properties resulting in the redevelopment of sites meeting area benefit activities such as parking, parks, and blight removal. All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

Projected total number of households assisted - 4 (pro-rata share of 14 households total request)

(7) Total Budget:

NSP Funding - $330,588 (pro-rata share of $1,080,000 total request)

(8) Responsible Organization:

Maryland Department of Housing and Community Development
Neighborhood Revitalization Programs
Contact: Cindy Stone
Phone: 410 514-7256
Email: StoneC@md-housing.org

(9) Projected Start Date: 01/01/2009

(10) Projected End Date: 06/30/2013

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate - minimum of 5%

For financing activities, include:

- range of interest rates 0%

For housing related activities, include:

- duration or term of assistance; 30-40 year loan terms
- tenure of beneficiaries--rental or homeownership; - homeownership
- a description of how the design of the activity will ensure continued affordability - affordability is a condition of assistance

Competitive Allocation to Local Governments – Acquisition, Rehabilitation and Financing Mechanisms for Housing

(1) Activity Name:

Competitive NSP Program – Acquisition

(2) Eligible Use/Activity Type:

NSP Eligible Use – A and B
CDBG Activity Type – Acquisition, rehabilitation and homeownership assistance. 24 CFR570.201, and 570.202

(3) National Objective:

LMMH - Housing

(4) Activity Description:

Acquisition of foreclosed and abandoned properties to rehabilitate and use for rental or homeownership. Homeowner assistance in the form of downpayment, soft seconds and settlement costs may also be included.

(5) Location Description:

All projects will be in DHCD designated areas of need – Most Severe, Severe, or High

(6) Performance Measures

Projected total number of households assisted - 112 (pro-rata share of 365 units in total requests)

(7) Total Budget:

NSP Funding - $15,860,929 (pro-rata share of $51,809,635 in total requests)

(8) Responsible Organization:

Maryland Department of Housing and Community Development
Neighborhood Revitalization Programs
Contact: Cindy Stone
Phone: 410 514-7256
Email: StoneC@md-housing.org

(9) Projected Start Date: 01/01/2009

(10) Projected End Date: 06/30/2013

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate - minimum of 5%

For financing activities, include:

- range of interest rates 0%

For housing related activities, include:

- duration or term of assistance; 30-40 year loan terms
- tenure of beneficiaries--rental or homeownership; - homeownership
- a description of how the design of the activity will ensure continued affordability - affordability is a condition of assistance

I. Total Budget: (Include public and private components)

NSP Funding $26,704,504

The State will require leverage which will be required through either the final application process or CDA requirements.

J. Performance Measures

Below is a summary of the State of Maryland's expected use of NSP funds. These numbers are subject to change once local applications are approved by the State. DHCD can also provide the number of units broken out by income category once those applications are approved. DHCD will also provide information on progress of fulfilling these measures as required by the reporting procedures outlined in the HUD Notice.

Housing	
DHCD Transitional Housing	1 development (25 beds)
DHCD Multi Family	100 units
DHCD Group Home	4 units (12 beds)
DHCD Downpayment and Settlement Assistance	50 units
Landbanking – Competitive	2 units
Redevelopment (non-housing) Competitive	1 project
Redevelopment of Housing - Competitive	4 units
Acquisition, Rehabilitation and Financing Mechanisms - Competitive	112 units
Households Assisted	
Housing Counseling *	77

**DHCD requires all applicants for homeownership assistance to undergo housing counseling. This number includes both the 50 HH to be assisted under DHCD Downpayment Assistance and the projected pro-rata 27 HH assisted under the competitive portion of the NSP grant.*

Certifications

(1) **Affirmatively furthering fair housing**. The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

(2) **Anti-lobbying**. The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

(3) **Authority of Jurisdiction**. The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

(4) **Consistency with Plan**. The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.

(5) **Acquisition and relocation**. The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.

(6) **Section 3**. The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

(7) **Citizen Participation**. The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

(8) **Following Plan**. The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.

(9) **Use of funds in 18 months**. The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.

(10) **Use NSP funds ≤ 120 of AMI**. The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force**. The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws**. The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures**. The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws**. The jurisdiction will comply with applicable laws.

_____ _____
Signature/Authorized Official Date

_____
Title