

NSP 2 Application Program Summary
Housing Authority of St. Mary's County, Maryland (HASMCM)

Entering 2009 St. Mary's County, Maryland and certain of its residential communities were designated as "High Foreclosure Hot Spots". This designation by Maryland's Department of Housing and Community Development reaffirms the fragility of these communities and the need to halt any further decline. In addition, as a peninsula St. Mary's County has directed its land use growth to two specific development districts. In doing so transportation, water, sewer, housing and employment are directed towards these districts.

To this, the largest district, Lexington Park, is designated as a Micropolitan Statistical Area by the Office of Management and Budget – an urbanized area of at least 10,000 population but less than 50,000 population. Such designation underlines the limited build able/developable land in St. Mary's County. Where residential communities/neighbors develop, rests with the finite resource of land.

HASMCM's NSP2 application seeks to halt neighborhood decline and bank/preserve land vital for the county's economy as it relates to residential use supporting the county's workforce. This goal is successfully achieved within twenty (20) months by HASMCM's NSP2 Partners. The eligible activities prosecuting this goal are: (1) Acquisition, Renovation and Resale of residential properties, (2) Financing Mechanisms and (3) Establishing and Operating Land Bank(s).

St. Mary's County Housing Authority Community Stabilization Program 2 Application Narrative

Factor 1 – Need and Market Conditions

A. Target Geography

St. Mary's County, Maryland, has three census tracts meeting the threshold factors established for the Neighborhood Stabilization Program 2:

Census Tract	Foreclosure Score	Vacancy Score	Max Score
24037995900	18	10	18
24037996001	17	11	17
24037995200	19	1	19

B. Market Conditions and Demand Factors

Between the first quarter of 2007 and the third quarter of 2008, St. Mary's County recorded 134 foreclosure events, according to the State of Maryland's Department of Housing and Community Development. In quarter one of 2009 alone, the county experienced 115 such foreclosure events. While the State of Maryland overall saw a decrease of almost 19% in property foreclosure events comparing the first quarter of 2008 to the first quarter of 2009, St. Mary's County experienced a 272% increased change comparing the same time periods. Only a few other counties in Maryland experienced an increase, with Frederick County the next highest change at 21.3%

The impact has cut through a range of established and in some cases prosperous neighborhoods. An analysis of the foreclosure data indicates that the greatest threat is to neighborhoods historically providing an opportunity for affordable housing and the potential loss or decline of these communities.



Agencies that provide housing assistance to St. Mary's County families in need have seen a marked increase in requests for foreclosure assistance. Local government has increased its efforts to provide public information on foreclosure prevention – using the mantra “Mortgage Late: Don't Wait” – and the Housing Authority and SMTCCAC are entering into a partnership to pool resources to improve counseling focused on understanding the requirements and responsibilities of homeownership and foreclosure.

The census tracts are located in Lexington Park, Maryland, near the Patuxent River Naval Air Station. The housing market in this area exploded as activities at the base grew and substantial commercial development occurred to support the base growth. However, according to a study prepared for the Housing Authority, "current development trends in the county are not affordable for a significant portion of the population." Over 3/4 of the jobs in St. Mary's County do not pay enough for people to afford housing, either renting or buying. The median income in St. Mary's County in 2001 was \$72,500 for a family of four. There were 33,338 positions in the work force. Of these 26,199 (78%) were near/below 50% median income (\$36,250).

Another salient factor from this 2001 data is that the two largest employment categories were professional/scientific at 28.1% and retail at 16.4%. Other categories were construction, local government, services, etc. These two larger employment groups highlight the then- and the now-considerable housing affordability gap between the higher income category (mostly Pax River engineers/technicians, upper management, administrators, etc.) and the lower income category (mostly retail, police, fire, and teachers).

In St. Mary's County, 28% of households are rent overburdened, mostly those having incomes between \$10,000 and \$35,000 per year. Since affordable housing is defined as 30% of income, this means that a single wage earner household with a \$36,250 median income could afford only about \$900 per month for housing. Average rent for a two-bedroom apartment is about \$1,000 per month. Thus, the \$36,250 median income worker can quickly become rent overburdened, and home ownership is out of the question. According to the US Census data, in the three census tracts above, nearly 50% of renters pay more than 30% of their income toward rent.

Given the fact that most county residents already were unable to afford housing or experienced significant rent burdens and the fact that general unemployment has climbed from under 4% to nearly 5%, it is unlikely that market will be able to absorb the abandoned and foreclosed properties in the next three years without NSP2 assistance. The general unemployment percent does not reflect what appears a higher rate for retail/service employment. Economic impacts such as the cancellation of the Presidential Helicopter Program and a slow down in the Joint Strike Fighter Program significantly impact service employment. In addition, although median family income has remained relatively stable in St. Mary's County, increasing only 18% between 2000 and 2008, median housing prices have increased more than 125% during that same period. With more than 60% of families in the county under 120% of AMI, few families can afford to buy a home at the median sales price.

Although the current economic crisis has resulted in more homes now being listed at or below last year's median price, credit markets remain so tight; few families have greater monthly expenses thus only a select group of families will qualify for a loan. The cost of a gallon of gasoline has a greater impact on a family earning \$50,000 per year versus the family earning \$100,000 per year.

In addition to and as a result of the nation-wide recession and credit crisis, two local mobile home parks previously providing affordable housing closed with little warning, the Presidential Helicopter contract based at Pax River was canceled, a major long-standing car dealership closed, and public utility rates skyrocketed, causing many families to lose their homes and further limited the employment opportunities for both skilled and unskilled labor.

The Housing Authority will use \$6.5 million for the acquisition, renovation, and resale or rental of at least 75 abandoned and/or foreclosed homes in the targeted neighborhoods. Up to 75 of these rehabilitated homes will be sold to families with incomes at or below 120% of AMI, with up to 19 units set aside for families at or below 50% of AMI. Essential in the success rate of these new homeowners, all will be required to undertake homebuyer educational counseling. In addition, in order to increase the affordability to those families who demonstrate need and qualify, \$3.75 million of the NSP2 funds will be used as second mortgages at 0% interest rate for a term of 30 years. The maximum amount of the second mortgage will be 20% of the purchase price or \$50,000, whichever is less. The use of second mortgages will target families in need, provide an incentive to purchase the homes, and will keep them affordable for a long period of time.

Below is a chart prepared by the local PNC bank showing estimated payment amounts for different priced homes, all of which are under the current average sales price, and a chart showing the required income ranges, all less than 75% AMI, to meet those estimated payments.

Price	P & I	Tax	INS	HOA	Total	Maximum House Payment for 100% financing											
						Debts											
						\$50	\$100	\$150	\$200	\$250	\$300	\$350	\$400	\$450	\$500	\$550	
\$80,000	\$467	\$67	\$24	\$50	\$608												
\$92,500	\$540	\$77	\$27	\$50	\$694												
\$105,000	\$613	\$88	\$29	\$50	\$780												
\$117,500	\$686	\$98	\$32	\$50	\$865												
\$130,000	\$759	\$108	\$34	\$50	\$951												
\$142,500	\$832	\$119	\$37	\$50	\$1,037												
\$155,000	\$905	\$129	\$39	\$50	\$1,123												
\$167,500	\$977	\$140	\$42	\$50	\$1,209												
\$180,000	\$1,050	\$150	\$44	\$50	\$1,295												
\$192,500	\$1,123	\$160	\$47	\$50	\$1,381												
\$205,000	\$1,196	\$171	\$49	\$50	\$1,466												
\$217,500	\$1,269	\$181	\$52	\$50	\$1,552												
						\$45,000	\$1,375	\$1,325	\$1,275	\$1,225	\$1,175	\$1,125	\$1,075	\$1,025	\$975	\$925	\$875
						\$46,000	\$1,407	\$1,357	\$1,307	\$1,257	\$1,207	\$1,157	\$1,107	\$1,057	\$1,007	\$957	\$907
						\$47,000	\$1,438	\$1,388	\$1,338	\$1,288	\$1,238	\$1,188	\$1,138	\$1,088	\$1,038	\$988	\$938
						\$48,000	\$1,470	\$1,420	\$1,370	\$1,320	\$1,270	\$1,220	\$1,170	\$1,120	\$1,070	\$1,020	\$970
						\$49,000	\$1,502	\$1,452	\$1,402	\$1,352	\$1,302	\$1,252	\$1,202	\$1,152	\$1,102	\$1,052	\$1,002
						\$50,000	\$1,533	\$1,483	\$1,433	\$1,383	\$1,333	\$1,283	\$1,233	\$1,183	\$1,133	\$1,083	\$1,033
						\$51,000	\$1,565	\$1,515	\$1,465	\$1,415	\$1,365	\$1,315	\$1,265	\$1,215	\$1,165	\$1,115	\$1,065
						\$52,000	\$1,597	\$1,547	\$1,497	\$1,447	\$1,397	\$1,347	\$1,297	\$1,247	\$1,197	\$1,147	\$1,097
						\$53,000	\$1,628	\$1,578	\$1,528	\$1,478	\$1,428	\$1,378	\$1,328	\$1,278	\$1,228	\$1,178	\$1,128
						\$54,000	\$1,660	\$1,610	\$1,560	\$1,510	\$1,460	\$1,410	\$1,360	\$1,310	\$1,260	\$1,210	\$1,160
						\$55,000	\$1,692	\$1,642	\$1,592	\$1,542	\$1,492	\$1,442	\$1,392	\$1,342	\$1,292	\$1,242	\$1,192
						\$55,360	\$1,703	\$1,653	\$1,603	\$1,553	\$1,503	\$1,453	\$1,403	\$1,353	\$1,303	\$1,253	\$1,203

Without the NSP2 funds through the projects proposed in this application, most families in the target area will be unable to take advantage of the available foreclosed properties to help stabilize the community.

HASMC also proposes \$7 million to establish and operate Land Banks for homes and residential properties supporting future affordable workforce housing needs. The subject land is located in the Lexington Park target area encompassing 132 acres. It represents one of the last large developed parcels of land in the County's Priority Funding area connected to public water and sewer. Moreover, its close proximity to Patuxent River Naval Air Test Center (Pax River) makes it

vital to the County's economy and housing supporting the workforce of over 21,000 employees at Pax River.

The "As Is" value of the land with its platted 382 residential building lots is \$13,000,000. As a condition related to foreclosure the lien holder is willing to work with HASMC and local government to preserve this economy critical land. Deteriorating properties near Pax River will have an adverse effect on this major economic engine of St. Mary's County, Maryland.

Factor 2 – Demonstrated Capacity

A. Past Experience

As a public housing authority, HASMC administers Housing and Urban Development Housing Choice Voucher Program and Public Housing funds. HASMC has experience in administering funds for down payment and/or rehabilitation assistance programs through CDBG, Community Legacy, HOME Initiatives, and House Keys for Employees programs. CDBG funds were used to provide relocation benefits to eligible residents of the blighted Lexington Manor neighborhood. Each family had an option to receive their relocation benefit as a monthly payment for rental assistance or as a one-time lump sum down payment if used for a home purchase. In combination with the CDBG down payment assistance, Community Legacy funds were used to assist families with rehabilitation of purchased homes. HASMC also received HOME funds to provide down payment and closing cost assistance as well as required rehabilitation expenses for homebuyers purchasing in the Lexington Park area.

HASMC has successfully constructed a 42 unit condominium development, a 14,200 multi-purpose community center, the acquisition and rehabilitation of 21 homes in St. Mary's County, including 15 located in Lexington Park. This activity required the administration and use of CDBG, HOME, MAHT, Community Legacy and Special Loan funds. CDBG, Community Legacy, and MAHT funds were and are being used to complete the substantial rehabilitation of 11 town homes in the Colony Square neighborhood of Lexington Park. HOME funds were used for the acquisition and rehabilitation of three single family homes and one town home. MHRP special Loan funds were used to complete the rehabilitation of a five townhouse unit property. Three of the rehabilitated units were sold; the remaining units are long-term rentals for low- to-moderate income families.

HASMC is an approved FHA Secondary Lender.

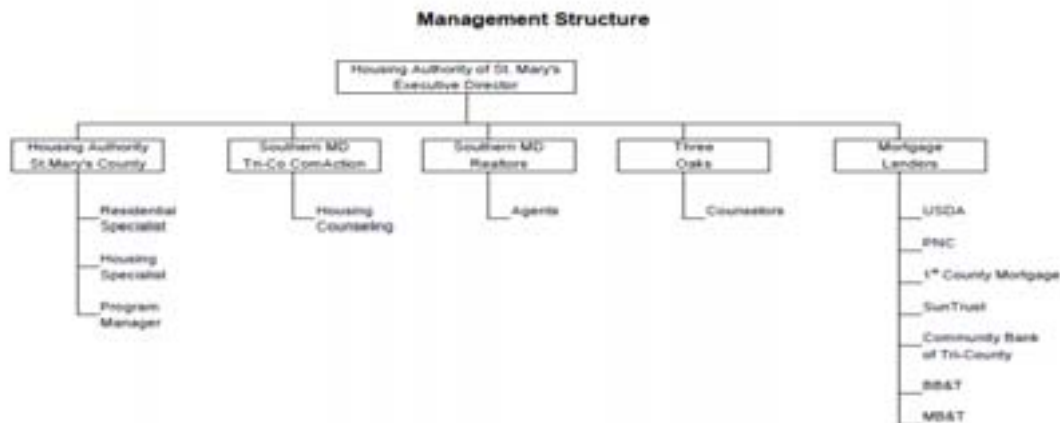
HASMC is an approved Maryland Department of Housing and Community Development, Level 2 Maryland Housing Rehabilitation Program Administer.

HASMC is an experienced user of CDBG, HOME, USDA Rural Preservation and State Community Legacy Programs focusing on neighborhood revitalization.

HASMC successfully administers and implements that HUD Housing Voucher Homeownership & Energy Star Programs

B. Management Structure

Management structure for the proposed project is as follows:



Program activities will be carried out by:

→ the Housing Authority Executive Director, who has over 30 years' experience with housing and community development activities

→ a resource specialist with almost 30 years' experience in housing creation, preservation, and rehabilitation

→ a housing specialist who successfully completed relocation and homeownership/rehab activities at Lexington manor and two mobile home parks

→ the program manager of community development, who has five years' experience with acquisition, rehabilitation, preservation, and relocation activities.

Southern Maryland Tri-County Community Action Committee, Inc., provides assistance as a HUD-certified counselor with credit foreclosure and homeownership counseling.

Three Oaks Homeless Shelter, Inc., provides needs assessment and other support services.

USDA, PNC mortgage, First County Mortgage, Southern Trust Mortgage, Community Bank of Tri-County, BB&T, MB&T, and SunTrust have on-going partnerships with the Housing Authority to provide various mortgage products and lend tools to eligible buyers.

Southern Maryland Realtors provides acquisition lists of foreclosed properties.

The HASMC Development Team includes:

→ General Contractor: Dennis Anderson Construction Corporation

→ Architect: J. F. Jochum Architects, L.L.C.

- Management Agent: Cherry Cove Land Development Co., Inc.
- Consultants: Reznick Group, Osprey Property Company, Cheseldine Management Consulting, LLC
- Construction and Inspection: CSBI, Inc.
- Closing Attorney: Dugan, McKissick, Wood and Longmore, LLC
- Attorney: Abramoff, Neuberger and Linder, LLP
- Private Lender: Maryland Bank and Trust, N.A.
- Local Mortgage Companies: USDA, PNC, 1st County Mortgage, SunTrust, Community Bank of Tri-County
- Local Private Sector Construction Rehabilitation Company: Melvin Home Management, Inc.

Factor 3 – Soundness of Approach

A. Proposed Activities

The Housing Authority will use funds awarded through the Neighborhood Conservation Initiative to modify its existing Housing Preservation Assistance Program to sustain homeownership investment in targeted areas via collaboration with private sector lending, mortgage, and real estate resources; improve/upgrade energy conservation performance of dwellings; to enhance counseling activities to potential homebuyers and renters, as well as households dealing with credit issues, but particularly foreclosure prevention; to acquire and rehabilitate housing; to provide affordable homeownership and rental housing opportunities; to preserve affordable workforce rental housing; and to redevelop demolished or vacant properties for transitional housing. A new project manager/coordinator will link various programs together while aggressively marketing programs and managing program activities.

Housing Preservation Assistance Program – The Housing Authority will continue the downpayment, closing cost, and rehabilitation program established under the State's HOME Initiative Program guidelines. The Housing Authority's staff experience with this program will now be directed toward the purchase and rehabilitation of foreclosed homes and residential properties in the Lexington Park area for low, moderate, and middle income homebuyers along with the establishment of a loan loss reserve account for each new home purchase. A list of eligible properties will be created and updated using RealtyTrac, information provided by Southern Maryland Realtors. HASMC will be guided by the Federal Home Investment Partnership Program, emphasizing preserving neighborhoods and housing while improving energy conservation and accessibility where feasible. Eligible properties must meet housing quality standards as established by the US Department of Housing and Urban Development, and State and local code requirements as well as lead paint requirements if built prior to 1978. With the exception of multi-family workforce housing, the home to be assisted must be single-family home, town home, or condominium that will be the homebuyers' primary residence.

When rehabilitation of a home is required as part of the purchase, the HASCMC will work with lenders to help households qualify for financing through the FHA 203K Rehab Loan Program,

which includes rehabilitation work for structural alterations and reconstruction; the elimination of health and safety hazards; changes for aesthetic appeal; repair or replacement of plumbing, heating, air conditioning, and electrical systems; installation of well, septic system, or connection to public utilities; roofing, gutter downspouts; flooring, tiling, and carpeting; major landscape and site improvement; and improvements to address accessibility issues for the disabled.

Household eligibility will be determined using St. Mary's County area median income limits as established by HUD. Where practicable, priority will be given to assisting families in the 50% of AMI range, recognizing that income eligibility caps at 120% for AMI. Household income including employment, retirement, pension, social security, child support, and investments will be documented and verified by third-party. Once household eligibility is established, families will be provided with a list of participating lenders to pre-qualify for a mortgage. The family will work with HASMC, local realtors, mortgage lenders, and others to find an eligible and affordable home. Affordability will include the mortgage pre-qualification amount along with the homeownership assistance based on need for downpayment, closing cost, and rehabilitation assistance. Down payment assistance will be limited to HOME standards and availability of funds with additional assistance available for closing costs and rehabilitation expenses. When a home is selected, the Housing Preservation Assistance Program will cover the cost of an appraisal, energy audit, home and termite inspection. If the home was built before 1978, the cost of a lead paint test will also be covered.

Counseling – The HASMC/SMTCCCAC counseling partnership will improve delivery of credit, homeownership, and foreclosure counseling to residents of St. Mary's County and will continue marketing of “Mortgage Late, Don't Wait” packets. HASMC will provide homeownership seminars that cover the following:

HASMC Seminar 1 – Preparing for Homeownership

- Anticipated Costs
- Increasing Your Borrowing Power
- Loan Types
- Predatory Lending
- Shopping for a Homeownership
- Resources for Homeownership
- Foreclosure Prevention

HASMC Seminar 2 – Making Choices

- Money Traps
- Major Purchases
- Managing Your Money
- Financial Horizon – Expanding Yours
- Your Future

Once the homeownership seminars are complete, participants will receive one-on-one counseling from SMTCCAC, a HUD-approved counseling agency. This counseling will cover the following, based on client needs:

SMTCCAC Pre-Occupancy Counseling

- Housing Selection
- Energy Conservation
- Fair Housing Laws
- Qualifying for HUD Subsidies
- Budgeting for Mortgage Payments and Rent Payments
- Money Management
- Housing Care and Maintenance & Healthy Homes
- Referrals to Community Resources
- Pre-Purchase Counseling for Prospective Homeownership
- Pre-rental Counseling for Renters

SMTCCAC Mortgage Default and Rent Delinquency Counseling

- Identification of the causes of the default or delinquency
- Client's motivation, resources, and ability to resolve the default or delinquency
- Arranging reinstatement plans, including working with the client's creditors
- Subsidy recertifications
- Budgeting when in default or delinquency
- Money Management
- Referrals to other resources
- Locating alternative housing

SMTCCAC Post-Occupancy Counseling

- Relations with mortgagees and landlords
- Escrow Funds
- Recertifications for HUD subsidies
- Grievances
- Shared housing

HASMC Acquisition and Rehabilitation Program – HASMC's Acquisition and Rehabilitation Program will acquire and renovate homes and residential properties that have been abandoned or foreclosed upon or are demolished or vacant, in order to sell, rent, or redevelop such homes and properties. HASMC will also establish land banks for older, foreclosed homes that may need more substantial rehabilitation or that need remediation for lead and /or asbestos hazards. Emphasis will be placed on improving energy efficiency of the structure, heating and cooling systems, and appliances plus addressing issues with accessibility.

HASMC will partner with Patuxent Habitat for Humanity and Three Oaks Homeless Shelter, Inc., with this program. HASMC will use NCI funds to acquire eligible homeownership properties that will be granted to non-profit organizations, such as Patuxent Habitat for Humanity to complete rehabilitation prior to selling to eligible households. HASMC will use NSP2 funds to acquire and rehabilitate eligible rental properties that will be granted to Three Oaks Homeless Shelter, Inc., or other providers for homeless and transitional housing. Participant non-profits will operate under sub-recipient agreements consistent with Community Development Block Grant Program requirements.

These programs will quickly assist in stabilizing the identified neighborhoods by turning the vacant/foreclosed properties into long-term stable properties.

NSP Funding Budget

Seventy Five Residential Properties within twenty months

<i>Acquisition, renovation and resale of residential properties</i>	\$6,000,000
Activity Delivery Costs	
(work write ups, inspections, permits, temporary utilities, insurance, etc.):	300,000
Administration and Internal Audit	<u>200,000</u>
Subtotal	\$6,500,000

Establish financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties.

This will include outreach, education, and all settlement costs.	
Subtotal	\$3,750,000

Establish and operate land banks:

Acquisition of land (reports, settlement costs, etc.)	\$6,500,000
Operating (delivery cost) over ten years: insurance, site maintenance, utilities, lighting, staff time, etc.	<u>500,000</u>
Subtotal	\$7,000,000

Grand Total	\$17,250,000
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B. Project Completion Schedule

All activities are expected to begin in September 2009, pending grant award, with completion of all acquisition/rehab and homeownership support by May 2011. Forty five (45) day milestones will be established within this time frame to effectively manage completing objectives and provide an internal audit function. This audit function will continually examine potentially risky areas of program operations and management and provide regular and valuable feedback to program managers and accountability.

C. Income Targeting & D. Continued Affordability & E. Consultation, Outreach, Communications

Throughout the process, the Housing Authority will establish waiting lists of interested participants and will qualify applicants for either homeownership or rental assistance under the two projects detailed in this application based on their income level in accordance with program guidelines. Priority will be provided to participants whose incomes do not exceed 50% AMI, and sufficient funds will be set aside in each project to ensure that at least 25% of the total participants are within this income category. All other participants will have incomes less than 120% AMI.

Through its on-going work with federal programs, such as the HUD Housing Choice Voucher, the Housing Authority has extensive experience in determining family income and applying the AMI targets appropriately.

Beyond the initial determination of eligibility, the Housing Authority will maintain continued affordability for families in the targeted income categories through a deed restriction placed on homes offered for sale through this program that if properties are resold within 5-years of the initial sale that the subsequent buyers must also meet the income criteria as qualified by the Housing Authority. Homes rehabilitated and offered as rentals will continue indefinitely as part of the Housing Authority's portfolio of properties.

In the organizational structure developed for these projects, the Housing Authority will provide oversight and supervision of staff responsible for implementing the projects. Staff will be required to provide routine, periodic updates for review.

The affected census tracts are located in a state-designated enterprise zone and the highest density area of the county, where substantial numbers of community and retail facilities exist, including retail employment centers such as Wal*Mart, Target, Best Buy, and including local parks and libraries. As previously noted, the target area surrounds the Patuxent River Naval Air Station; although the target population typically will work in the retail and support services, significant opportunity for growth and development exists for the population to obtain training and possible entry into professional level positions.

Factor 4 – Leveraging, integration, removal of negative effects

Support and participation from the community and identified partners is strong, with more than a half million dollars committed to these projects. See Appendices for commitment letters and letters of support.

Factor 5 – Energy efficiency

The local public transit serves the residential community in and around the Lexington Park area with connections to other areas throughout the county. Additionally, commuter bus service from the target area provides access to employment locations north of St. Mary's, specifically Washington DC.

No home targeted for assistance through this program will be within 100 feet of wetlands or other critical habitat, nor will it be on steep slopes, agricultural land, or park land. As part of the rehabilitation program, additional landscaping may occur using native trees and plants that are appropriate to the area soils and climate. Any landscaping added will be designed to ensure shading in the summer but heat gain in the winter for the most energy efficient design possible.

Although no new construction is planned and rehab will be within the framework of the existing structures, whenever additional materials are required the Housing Authority will ensure that the most energy efficient products (including designated “healthy” materials) are used and that products are procured locally, which not only will minimize environmental impacts related to transportation of the materials but will also help to stimulate the local economy.

Whenever new materials or appliances are used, the homeowner or renter will be provided an orientation to the products and its features. For all participants, the homeownership counseling sessions will address healthy homes, green building initiatives for future rehab, and energy efficiency opportunities within the home.

Factor 6 – Neighborhood transformation and economic opportunity

The Housing Authority works closely with all State and local planning agencies and the projects detailed in this application are consistent with those plans, including the local comprehensive plan. The Lexington Park target areas are within the County’s Priority Funding area, a component of Maryland’s Smart Growth program.

Application for Federal Assistance SF-424

Version 02

*1. Type of Submission:		*2. Type of Application * If Revision, select appropriate letter(s)	
<input type="checkbox"/> Preapplication	<input type="checkbox"/> Application	<input type="checkbox"/> New	<input type="checkbox"/> Continuation *Other (Specify)
<input type="checkbox"/> Changed/Corrected Application	<input type="checkbox"/> Revision	_____	

3. Date Received:	4. Applicant Identifier:
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5a. Federal Entity Identifier:	*5b. Federal Award Identifier:
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State Use Only:

6. Date Received by State:	7. State Application Identifier:
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8. APPLICANT INFORMATION:

*a. Legal Name: _____

*b. Employer/Taxpayer Identification Number (EIN/TIN):	*c. Organizational DUNS:
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d. Address:

*Street 1: _____
Street 2: _____
*City: _____
County: _____
*State: _____
Province: _____
*Country: _____
*Zip / Postal Code: _____

e. Organizational Unit:

Department Name:	Division Name:
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f. Name and contact information of person to be contacted on matters involving this application:

Prefix: _____ *First Name: _____
Middle Name: _____
*Last Name: _____
Suffix: _____

Title: _____

Organizational Affiliation: _____

*Telephone Number:	Fax Number:
*Email:	

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424	Version 02
*9. Type of Applicant 1: Select Applicant Type: Type of Applicant 2: Select Applicant Type: Type of Applicant 3: Select Applicant Type: *Other (Specify)	
*10 Name of Federal Agency:	
11. Catalog of Federal Domestic Assistance Number: _____	
CFDA Title: _____	
*12 Funding Opportunity Number: _____	
*Title: _____	
13. Competition Identification Number: _____	
Title: _____	
14. Areas Affected by Project (Cities, Counties, States, etc.):	

***15. Descriptive Title of Applicant's Project:**

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant:

*b. Program/Project:

17. Proposed Project:

*a. Start Date:

*b. End Date:

18. Estimated Funding (\$):

*a. Federal _____

*b. Applicant _____

*c. State _____

*d. Local _____

*e. Other _____

*f. Program Income _____

*g. TOTAL _____

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

Yes No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: _____

*First Name: _____

Middle Name: _____

*Last Name: _____

Suffix: _____	
*Title:	
*Telephone Number:	Fax Number:
* Email:	
*Signature of Authorized Representative:	*Date Signed:

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)

Prescribed by OMB Circular A-102

Disclosure: SF-LLL

Disclosure: HUD-2880

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing
and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Housing Authority of St. Mary's County, Maryland 21155 Lexwood Drive, Suite C, Lexington Park, MD 20653	2. Social Security Number or Employer ID Number: 520-99-9238
3. HUD Program Name Neighborhood Stabilization Program 2	4. Amount of HUD Assistance Requested/Received \$17,250,000.00
5. State the name and location (street address, City and State) of the project or activity: St. Mary's County, MD	

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input type="checkbox"/> Yes <input type="checkbox"/> No.
--	--

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).


Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial interest in Project/Activity (\$ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: X 	Date: (mm/dd/yyyy) 07/14/2009
---	----------------------------------

Appendix: Code of Conduct



HOUSING AUTHORITY OF ST. MARY'S COUNTY, MARYLAND

21155 LEXWOOD DRIVE, SUITE C - LEXINGTON PARK, MARYLAND 20653

301-86-6590 ext. 1400

Fax 301-737-5628

MD Relay Svc. 711 or 1-800-735-2258 (V/TTY)

Code of Professional Conduct

Conflict of Interest:

Housing Authority of St. Mary's County, Maryland (HASMC) (also known as St. Mary's County Housing Authority) officers, employees, and agents are responsible for ensuring they do not become involved in any activities which may create a conflict of interest or the appearance of impropriety. This means that all officers, employees, and agents must refrain from accepting gifts, gratuities or loans from individuals, organizations, or business concerns with which they have official relationships regarding Housing Authority business. Officers, employees, and agents of HASMC should guard against relationships which might be interpreted as favoritism, corruption, unfair advantage, or coercion.

HASMC officers, employees, and agents shall take steps to avoid any such conflicts of interest. Where such conflict may be present, the officer, employee or agent will notify the Executive Director in writing. The Executive Director shall then determine whether such activity constitutes a conflict of interest. An employee who fails to properly notify the Executive Director of any conflict of interest shall be subject to disciplinary action.

Disciplinary Actions Available:

- (a) Oral Counseling or Oral Warning. Does the employee understand rules, policies, etc. and what is expected of them? Such action does not need to be documented in writing; however, the superior should maintain a record (date/time/subject) of the counseling.
- (b) Written Warning. Places employee on notice that further acts shall result in more severe disciplinary action. Such action should be documented in writing.
- (c) Official Reprimand. Written action that is placed within employee's official personnel file.
- (d) Suspension. Normally the final step in the disciplinary process prior to termination.
- (e) Demotion. Depending on the circumstances, demotions may be preferable over termination.
- (f) Termination. The most severe disciplinary action.

Employee Awareness of Code of Professional Conduct:

- (a) All new hires will be given a copy of HASMC's Code of Professional Conduct.
- (b) The Code of Professional Conduct will be disseminated via email to all officers, employees and agents on an annual basis.

Contact Information:

Dennis Nicholson
Executive Director

The Housing Authority of St. Mary's County, Maryland
21155 Lexwood Drive, Suite C
Lexington Park, MD 20653
301-866-6590 x1434
301-737-5628 fax

Appendix: Leveraging Documentation

ST. MARY'S COUNTY GOVERNMENT

**DEPARTMENT OF
HUMAN SERVICES**

C. Bennett Connelly, Director



Francis Jack Russell, President
Kenneth R. Dement, Commissioner
Lawrence D. Jarboe, Commissioner
Thomas A. Mattingly, Sr., Commissioner
Daniel H. Raley, Commissioner

July 14, 2009

Dennis L. Nicholson, Director
Housing Authority of St. Mary's County, MD. (HASMC)
21155 Lexwood Drive, Suite C
Lexington Park, Maryland 20653

RE: Neighborhood Stabilization Program 2

Dear Mr. Nicholson,

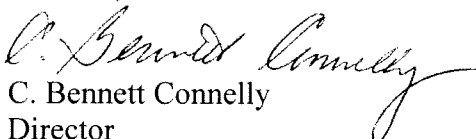
St. Mary's County Department of Human Services acknowledges and supports the Housing Authority of St. Mary's County (HASMS) application for Neighborhood Stabilization Program 2 funds available via the Department of Housing and Urban Development (HUD). These federal funds, made available through the HUD NSP 2 program, will address abandoned and foreclosed homes in neighborhoods that have been impacted by foreclosure and sub-prime lending.

We share a common goal with HASMC and HUD: (1) To increase affordable workforce housing opportunities in neighborhoods most affected by foreclosure in coordination with local partners; (2) To maximize revitalization and stabilization impact in target "Conservation" neighborhoods, focusing and coordinating investment of local and state resources; and (3) To complement ongoing foreclosure prevention activities of State and local partners.

The Department of Human Services fully supports this common goal with developing new strategies to assist individuals and families at risk of foreclosure with resources and services from our agencies to ensure they remain in their homes. One of the goals of the Department is to create a system of services and housing key element for meeting this goal.

A partnership between the Department of Housing and Urban Development (HUD), the Housing Authority and the Department of Human Services for use of NSP2 funds will create a significant positive impact on our community.

Sincerely,


C. Bennett Connelly
Director

July 14, 2009

Dennis L. Nicholson, Director
Housing Authority of St. Mary's County, MD. (HASMC)
21155 Lexwood Drive, Suite C
Lexington Park, MD 20653

Subject: Neighborhood Stabilization Program 2

Dear Mr. Nicholson,

Melvin Home Management, Inc. acknowledges and supports the Housing Authority of St. Mary's County, Maryland's (HASMC) application for Neighborhood Conservation Initiative (NSP2). These federal funds, made available through the State's NSP2 program will address abandoned and foreclosed homes in neighborhoods that have been impacted by foreclosures and sub-prime lending.

We share a common goal with HASMC: (1) To increase affordable workforce housing opportunities in neighborhoods most affected by foreclosure in coordination with local partners; (2) To maximize revitalization and stabilization impact in target "Conservation" neighborhoods, focusing and coordinating investment of local and state resources; (3) To complement ongoing foreclosure prevention activities of State and Local partners.

Melvin Home Management, Inc., located in Chesapeake, Maryland would like to support this common goal. We are a Minority Woman Owned Business and will help to alleviate the surplus foreclosure and abandoned homes within the community. This company has been in business since 1961 and began the business in construction of single family homes and townhouses. We now specialize in purchasing homes and rehabilitating them for the purpose of sheltering families and have extensive experience with the housing market- approximately 30 per year.

Melvin Home Management, Inc. would like to partner with the Housing Authority of St. Mary's County to assist with this very important NSP2 program. Such a partnership with use of NSP2 funds will create a significant positive impact in our community.

Sincerely,



Alexis Brown c/o Melvin Home Management, Inc



January 13, 2009

July 15, 2009

Dennis L. Nicholson, Director
Housing Authority of St. Mary's County, Maryland
21155 Lexwood Drive, Suite C
Lexington Park, MD 20653

Re: Neighborhood Stabilization Program 2

Dear Director Nicholson,

First County Mortgage, LLC, "An affiliate of National City Mortgage and PNC Bank" acknowledges and supports the Housing Authority of St. Mary's County, Maryland's (HASMC) application for Neighborhood Stabilization Program 2 (NSP2) grant funds available via the U.S. Department of Housing and Urban Development (HUD). These federal funds, made available through HUD, will address abandoned and foreclosed homes in neighborhoods that have been impacted by foreclosure and sub-prime lending while helping to address a portion of the need for Workforce and Affordable housing.

We share a common goal with HASMC and HUD: (1) To increase affordable workforce housing opportunities in neighborhoods most affected by foreclosure in coordination with local partners; (2) To maximize revitalization and stabilization impact in target "Conservation" neighborhoods, focusing and coordinating investment of local and State resources; (3) To complement ongoing foreclosure prevention activities of Federal and State government and local partners.

First County Mortgage, LLC, would like to support this common goal by providing financing to qualified borrowers using a variety of loan programs.

A partnership between the U.S. Department of Housing and Urban Development (HUD), the Housing Authority of St. Mary's County and First County Mortgage, LLC, for use of NSP2 funds will leverage private sector funds in meeting the neighborhood preservation and workforce and affordable housing needs of St. Mary's County citizens and create a significant positive impact on our community.

Sincerely,

A handwritten signature in cursive script that reads "Quincy Williams".

Quincy Williams

Loan Officer

First County Mortgage, LLC

"An Affiliate of National City Mortgage and PNC Bank"

23063 Three Notch Road

California, MD 20619

Ph: 301-737-5108

SMTCCAC, Inc.

Promoting Self-Sufficiency



July 14, 2009

Dennis L. Nicholson, Director
Housing Authority of St. Mary's County, Maryland
21155 Lexwood Drive, Suite C
Lexington Park, MD 20653

Re: Neighborhood Stabilization Program 2

Dear Dennis Nicholson,

Southern Maryland Tri-County Community Action Committee, Inc. strongly supports the Housing Authority of St. Mary's County, Maryland's (HASMC) application for Neighborhood Stabilization Program 2 funds available through the Department of Housing and Urban Development (HUD). These federal funds, provided via the State's NCT program, will address abandoned and foreclosed homes in neighborhoods that have been impacted by foreclosure and sub-prime lending.

We share common goals with HASMC and HUD: 1) To increase affordable workforce housing opportunities in neighborhoods most affected by foreclosure in coordination with local partners; 2) To maximize revitalization and stabilization impact in target "Conservation" neighborhoods, focusing and coordinating investment of local and State resources; 3) To complement ongoing foreclosure prevention activities of State and local partners.

Southern Maryland Tri-County Community Action Committee, Inc. would support these common goals with our expertise and experience in HUD-certified counseling.

The partnership between the Department of Housing and Urban Development (HUD), the Housing Authority and *Southern Maryland Tri-County Community Action Committee, Inc.* for use of NCT funds will create a significant positive impact on our community.

Sincerely,

Swyniece M. Hawkins
President



Southern Maryland Tri-County Community Action Committee, Inc.
POST OFFICE BOX 250 • HUGESVILLE, MARYLAND 20637
FAX NUMBER (301) 274-0937

(410) 535-1010 (301) 274-4474 (301) 870-3770 (301) 475-5574 (301) 884-6103



Southern Maryland Association of REALTORS®, Inc.

8440 Old Leonardtown Road, Suite 211, Hughesville, MD 20637

TOLL-FREE 1-888-340-8727 CHARLES (301) 274-4406 ST. MARY'S (301) 884-8533 METRO (301) 870-2323 FAX (301) 870-2575 E-MAIL information@smarweb.org WEB SITE www.southernmarylandrealtors.com

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*Vice President
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*Immediate Past President
Chris Guldi*

*C.E.O.
Jann Clark*

July 14, 2009

Dennis L. Nicholson, Director
Housing Authority of St. Mary's County, MD (HASMC)
21155 Lexwood Drive, Suite C
Lexington Park, MD 20653

RE: St. Mary's County Neighborhood Stabilization Program 2

The Southern Maryland Association of REALTORS® acknowledges and supports the Housing Authority of St. Mary's County, Maryland's (HASMC) application for Neighborhood Stabilization Program 2 funds available through the Department of Housing and Urban Development (HUD). These federal funds will address abandoned and foreclosed homes in neighborhoods that have been impacted by foreclosure and sub-prime lending.

We share a common goal with HASMC and HUD to increase affordable workforce housing opportunities in neighborhoods most affected by foreclosure. SMAR supports the efforts of HASMC to establish creative financial assistance programs such as establishing financing mechanisms for eligible properties, including down-payment assistance; loan loss reserves, rehabilitation assistance and closing assistance for buyers whose income are at or below 120% of area median income. As part of our commitment to revitalizing the Southern Maryland housing market, SMAR will work with HASMC to develop a method for our REALTORS® to easily identify eligible properties through the MRIS multiple listing service.

The approval of HASMC's application for NSP 2 funds is the vital first step in a collaborative initiative to address the affordable housing needs of St. Mary's County citizens and create a significant positive impact on our community.

Sincerely,

Russ Boyce
President

"The Voice for Real Estate in Southern Maryland"

Member – National Association of REALTORS® and Maryland Association of REALTORS®



The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.





Three Oaks Center

Supportive Housing for Homeless Individuals and Families
Established 1994

Post Office Box 705
46905 Lei Drive
Lexington Park, MD 20653

Telephone:
(301) 863-9535
Fax:
(301) 863-0245

E-mail
threecoaks@threecoakscenter.org

Board of Directors

Officers:
Thomas Russell
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Walter Nilsson
Vice President

Donnita Moore
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Philip Horne
Treasurer

Ellyn G. Capper
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Tim Cameron
Daniel S. Capper
Paul Engel
Sue Gelrud
Michael Guy
La-Ronda D. Johnson
Elizabeth Sarah Mattingly
Roderick W. McClanahan
Dennis Nicholson
Barbara Saylor
David Shapiro

Honorary Members:
Rona Harding
Thomas Joyner
William Marek
Christopher Wilson

Administration:
H. S. Lanny Lancaster
Executive Director

July 14, 2009

Dennis Nicholson, Director
Housing Authority of St. Mary's County, MD
P.O. Box 653
Leonardtwn, MD 20650

Dear Mr. Nicholson,

As your partner in an effort to secure a grant by way of the "Neighborhood Stabilization Project 2" offered by the Department of Housing and Urban Development, Three Oaks Center supports your efforts in providing affordable permanent housing in St. Mary's County. Permanent housing for homeless persons constitutes part of a gap in services that our county recognizes within our continuum of care.

Should Three Oaks Center have the opportunity to share in such an award, our plan will be to use existing resources and foundation grants to rehabilitate and furnish the properties as well as provide seed money to begin providing these much needed services. The Center has a long relationship with both the Harry and Jeanette Weinberg and Jesse Ball duPont foundations. It would be through a combination of these resources that we would develop this new initiative with the Housing Authority. This NSP2 initiative would leverage resources and/or services ranging from \$100,000 to \$300,000.

We want to thank you for inviting us to participate in this exciting opportunity. If there is anything we can offer to improve the strength of this proposal, please feel free to ask. Your commitment to supportive housing opportunities for the homeless in our county is very much a part of this Center's 15 years of success and we are very grateful for it.

Sincerely,

H. S. Lancaster
Executive Director



FOREST HALL, LLC
C/O Tom Harmon
23110 Almond Ct.
California, MD 20619

July 15, 2009

Mr. Dennis Nicholson, Director
St. Mary's County Housing Authority
Leonardtown, MD 20650

RE: ESSEX WOODS SUBDIVISION, Lexington Park, MD

Dear Mr. Nicholson:

The above referenced property, which we own, is located in the Lexington Park, MD, area and encompasses 132 acres. This parcel represents one of the last large developable parcels of land located in the County's Priority Funding Area and is connected to public water and sewer. Moreover, its close proximity to Patuxent River Naval Air Test Center (Pax River) makes it vital to the County's economy and housing supporting the workforce of over 21,000 employees at the Patuxent River Naval Air Test Center.

The "As Is" value of the land with its approved and platted 382 residential building lots is over \$13,000,000.

As we are currently in default with our mortgage, and as a condition related to foreclosure, the lienholder is willing to work with the Housing Authority of St. Mary's County and the local government to preserve this critical economic land. There are currently many other deteriorating property near the Patuxent River Naval Air Station, and this will have an adverse impact and effect on the number one economic engine (Pax River) of St. Mary's County, Maryland. Thus the acquisition of our property is vital in order to retain the integrity of the area surrounding the Naval Air Station.

We have had several conversations with our lienholder, and the lienholder is willing to collaborate on helping St. Mary's County retain this vital public-private initiative.

Sincerely,

/S/

Tom Harmon, Member



AMERICAN PROPERTY CONSULTANTS, INC.

A Full Service Inspection & Energy Rating Company

5901 Hillside Road / P.O. Box 98
St. Leonard, Maryland 20685

Phone (800) 272-7134
Fax (410) 586-1963

E-mail: apc@chesapeake.net
Web: <http://www.HUDPASS.com>

July 7, 2009

Mr. Dennis Nicholson, Executive Director
Housing Authority of St. Mary's County
21155 Lexwood Drive, Suite C.
Lexington Park, MD 20653

Reference: Energy Assessment Price Quotation

Dear Mr. Nicholson,

Enclosed is American Property Consultants' (APC) price quote to perform Energy Assessments at three (3) of your properties. After visiting the sites today it was determined that we will have to model three (3) additional units thus the cost is slightly more than the estimate I provided on the telephone.

I am sure that we can meet and exceed your expectations. If you would like a listing of APC's references, please do not hesitate to ask. We look forward to working with you on this important task. If you have any questions concerning the proposal please give us a call.

Yours Truly,

Dennis DiBella

Dennis DiBello
President and Chief Inspector

APC 09-349I

DJD/Mdb



AMERICAN PROPERTY CONSULTANTS, INC.

A Full Service Inspection & Energy Rating Company

5901 Hillside Road/P. O. Box 98
St. Leonard, MD 20685

3785 Sweet Grove Ct
Port Orange, FL 32129

Phone (800) 272-7134
Fax (410) 586-1963

E-mail: apc@chesapeake.net
Web Page: www.HUDPASS.com

Energy Assessment Price Quotation

APC, incorporated in 1996, provides technical consulting services to residential, commercial and industrial property clients. APC's principals individually have more than 30 years of experience in engineering, inspections, testing and diagnosing of industrial, commercial and residential properties.

Owner/Purchaser: Saint Mary's County Housing Authority	Property Name(s): Patuxent Woods I Patuxent Woods II Holland Forrest Landing
Address: 21155 Lexwood Drive, Suite C. Lexington Park, MD 20653	Property Address: Various
Contact: Dennis Nicholson, Executive Director	Email Address: dennis.nicholson@co.saint-marys.md.us
Phone: (301) 866-6590, extension 1434	Fax: (301) 737-5628

Scope of Work:

American Property Consultants, Inc. proposes to conduct an Energy Assessment in accordance with the assessment requirements as defined by the Maryland Home Performance with ENERGY STAR (MDHPwES) program. The Maryland Home Performance program is sponsored by the Maryland Energy Administration which trains and certifies contractors to perform energy audits and install whole-house energy improvements. MDHPwES is part of Governor O'Malley's EmPOWER Maryland initiative which seeks to reduce Maryland's electricity consumption 15% per person by 2015. APC intends to conduct the proposed scope of work in a timely manner on a per property basis.

The scope of work is conducted in three stages: Site Visit, Energy Assessment, & Report Development

Site Visit

Meet and discuss with owner/manager the purpose and needs of the energy assessment. Gather the necessary data about type of buildings and units. The site visit serves a dual purpose to record physical condition of the property (dwellings), and to assess the condition of the infrastructure support system(s). APC will perform an energy audit, air infiltration testing, and ENERGY STAR modeling using the Energy Gauge Software of 3 units per property for a total of 9 units (one end unit, one interior unit of the two story buildings and one ADA unit of the one story building will be modeled).

The benefits of Home Performance with ENERGY STAR?

1. Significantly reduce your energy bills
2. Make your home more comfortable
3. Help the environment by reducing carbon emissions
4. Improve your home's indoor air quality
5. Be assured of the high quality of contractors' work

Both quantitative and qualitative data is collected for the energy audit. Quantitative—Review of site construction, drawings, specifications, utility invoices, and managements processes. Qualitative—Physical inspection consisting of an actual walk-through of buildings, mechanical and equipment rooms and dwelling units as well as common areas and building exteriors. During this part of the information gathering certain testing or performance monitoring may also be conducted such as a blower door to test for air infiltration.

Energy Assessment

When performing the energy assessment APC will pay particular emphasis on HVAC upgrades to SEER 15. Consideration will be made for the sizing of duct work through the home, refrigerant lines, and location of duct work and equipment. The recent upgrades of one of the units will be discussed with the implementing contractor and those recommendations will be taken into consideration for the other units.

The Energy Assessment will include.

- Architecture —general site and building operation, envelope construction, etc.
- Heating System —central and individual space heating, controls
- Secondary —domestic hot and cold water, cooling, central laundry facilities, ventilation, etc.
- Electrical System —dwelling lighting, site lighting, and electrical equipment
- Geographic Location—adjustments pertaining to climate at building locations
- Air Infiltration—blower door test for leakage in building envelope

Report Development

APC will provide three (3) reports, one (1) for each property. The final report will summarize the conditions of the dwelling(s), the condition of the HVAC equipment and support system, and identify the cost effectiveness of the energy improvements for each property. APC will submit this energy assessment to be considered for the MDHPwES program.

PRICING: American Property Consultants, Inc. offers a collaborative approach to performing these energy assessments. APC proposed to perform the requested Energy Assessment for **3 properties** at the discounted per unit price of **\$950.00** per property for a total not to exceed price of: **Two Thousand Eight Hundred Fifty Dollars (\$2,850.00)**.

PAYMENT: The owner/purchaser agrees to pay to APC the above fee, which is due and payable immediately from date the service is rendered. After 30 days interest at the annual rate of 16% will be charged.

AMENDMENTS AND TERMINATION: All parties to this agreement agree to consider suggested changes that enhance the inspection protocol. Any suggested change must be agreed to by all parties in writing before an amendment to this agreement may be executed. Any party to this agreement may terminate their participation with a 30-day advance written notice.

Submitted by:
American Property Consultants, Inc.

By: Dennis DiBella/
Dennis DiBello/Misty Behnke

Date: July 7, 2009

Accepted by:
Saint Mary's County Housing Authority

By: _____

Date: _____

This contract is valid for one year from the date signed above. Note: By signing, each individual represents that he/she is authorized to bind the entity for which he/she is signing.

Appendix: Signed Certifications

Certifications

The Housing Authority of St. Mary's County certifies the following:

1. Affirmatively furthering fair housing. HASMC 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-displacement and relocation plan. HASMC has in effect and is following a residential anti-displacement and relocation assistance plan.
3. Anti-lobbying. Federal form attached.
4. Authority of applicant. HASMC 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.
5. Acquisition & relocation. HASMC 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 NSP2 program published by HUD.
6. Section 3. HASMC 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. HASMC certifies that it is carrying out citizen participation in accordance with NSP2 requirements.

8. Use of funds. HASMC certifies that it will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

9. The applicant certifies:

a. that all of the NSP2 funds made available to it will be used with respect to individuals and

b. HASMC 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 families whose incomes do not exceed 120 percent of area median income; and 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.

10. Excessive force. HASMC, certifies that it has

adopted and is enforcing:

a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and

b. 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 nonviolent civil rights demonstrations within its jurisdiction.

11. Compliance with anti-discrimination laws. HASMC certifies that 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.

12. Compliance with lead-based paint procedures. HASMC certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

13. Compliance with laws. HASMC certifies that it will comply with applicable laws.

A handwritten signature in blue ink, reading "Dennis Nicholson", is written over a horizontal line.

Dennis Nicholson, Executive Director, HASMC



HOUSING AUTHORITY OF ST. MARY'S COUNTY, MARYLAND

21155 LEXWOOD DRIVE, SUITE C. – LEXINGTON PARK, MARYLAND 20653

301-866-6590

Fax 301-737-7929

MD Relay Svc. 711 or 1-800-735-2258 (V/TTY)

2009 Affirmatively Furthering Fair Housing Plan

The Housing Authority of St. Mary's County Maryland, operating within a non-entitlement community in Maryland, respectfully submits the following information as its narrative statement regarding Affirmatively Furthering Fair Housing. This conforms to Section 4, Additional Nondiscrimination and Other Requirements, per the Federal Register dated March 19, 2008 (Volume 73, Number 54, Page 14885-14886).

I. Overcome the effects of impediments to fair housing choice that were identified in the jurisdiction's Analysis of Impediments (AI) to Fair Housing Choice.

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE AND FAIR HOUSING STRATEGY FOR MARYLAND NON-ENTITLEMENT COMMUNITIES *MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, 1996*

1. Develop and implement a comprehensive local information campaign on fair housing. *The Maryland Department of Housing and Community Development (DHCD) is responsible for contracting vendors to provide information and marketing materials for counties to use in their local awareness campaigns. The Housing Authority of St. Mary's County Maryland provides this information on their website, provides brochures at all office locations, and runs regular advertisements and mini-films on the County's cable network station. Further, we facilitate and assist residents with reporting Fair Housing violations, as requested.*
2. Develop and implement Fair Housing training for realtors, developers, insurers, lenders and management agents. *The Maryland Department of Housing and Community Development contracts for this service on a regular basis and representatives of the Housing Authority of St. Mary's County, Maryland annually attend this training.*
3. Initiate a state-wide study circle dialogue on race relations. *The Maryland Commission on Human Relations has the responsibility to spearhead this activity and performs it on a regular basis.*
4. Promote compliance with community reinvestment act laws. *Local lending institutions partner with the Housing Authority of St. Mary's County Maryland and other agencies to help meet the credit needs of St. Mary's County residents.*
5. Promote local adoption of inclusionary zoning and manufactured housing in residential areas. *The Maryland Department of Housing and Community Development and the Maryland Department of Planning constantly promote the adoption of inclusionary zoning into local laws.*

6. Increase funding, especially CDBG, for local CHRBS (certified housing resource boards). *The Maryland Department of Housing and Community Development has implemented this activity and performs it on a regular basis.*
7. Develop an automatic statewide data base on assisted rental units, including handicap-accessible units. *The Maryland Department of Housing and Community Development has implemented this activity. St. Mary's County inputs information to this database on a regular basis.*
8. Create model universal design plans for the disabled. *The Maryland Department of Housing and Community Development has implemented this activity.*
9. Analyze private appraisal sales advertising and insurance practices for housing discrimination. *The Maryland Department of Housing and Community Development has implemented this activity and performs it on a regular basis.*

II. Remedy discrimination in housing: and

The Housing Authority of St. Mary's County Maryland supports the State of Maryland's Fair Housing Awareness Campaign to property owners, renters, potential homeowners, and real estate/mortgage professionals. This is done through brochures, flyers, announcements on the County's website, and through homeownership and rental housing training sessions.

Promote fair housing rights and fair housing choice

The Housing Authority of St. Mary's County Maryland promotes Fair Housing rights in public and private venues, whenever practical. Further, this Authority promotes fair housing choice by administering a Housing Choice Voucher Program and through homeownership education. Also, the St. Mary's County Board of County Commissioners executes an annual Fair Housing Proclamation for the Southern Maryland Board of Realtors as a means of showing and publicizing their support for Fair Housing practices and legislation.

Additionally, the Housing Authority of St. Mary's County, Maryland will affirmatively further fair housing in its HCV FSS and PH FSS programs by 1) marketing the program to all eligible persons including persons with disabilities and persons with limited English proficiency, 2) making buildings and communications needed for applications and service delivery accessible to persons with disabilities, 3) making referrals to fair housing agencies, 4) providing the toll-free number for the Housing Discrimination Hotline: 1-800-669-9777 and information on how to file a fair housing complaint, and 5) recruiting landlords and service providers in areas that expand housing choice to program participants.

The HASMC will comply with the affirmatively furthering fair housing requirement of 24 CFR Section 903.7(o) by 1) examining both its current and proposed programs, 2) identifying any current or potential impediments to fair housing choice within said programs, 3) addressing any such impediments in a reasonable and timely manner with all available resources, 4) work to implement other jurisdictional initiatives with PHA involvement.

In order to be a proactive PHA towards accessibility issues for persons with disabilities by 1) assisting but not mandating program applicants/participants in gaining contact to supportive services available to them within the community, 2) identify public and private funding sources to assist disabled program applicants/participants with structural alteration costs or various other accommodations needed for accessibility, 3) remain from denying or restricting qualified HCV applicant/participant from other housing opportunities or PHA programs for non participation, 4) provide housing search assistance, 5) conform to rent reasonable requirements by approving higher rents to owners that provide accessible units with structural modifications for persons with disabilities, 6) provide technical assistance to owners by guiding them to local fair housing and equal opportunity offices for information on making reasonable modifications to units for accessibility to persons with disabilities.

Appendix: Public Notice Regarding Citizen Comments

**PUBLIC NOTICE: AMERICAN RECOVERY AND REINVESTMENT ACT
NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)
– ST. MARY’S COUNTY, MARYLAND**

The Housing Authority of St. Mary’s County, Maryland (HASMC) intends to apply for grant funds through NSP2 which is a component of the American Recovery and Reinvestment Act of 2009 (ARRA). HASMC will submit the application ID# 625390404 for NSP2 funding to the U.S. Department of Housing and Urban Development (HUD) on July 17, 2009. For information regarding ARRA, please visit www.hud.gov.

NSP2 is an allocation of funds provided under ARRA to assist in the purchase and rehabilitation of abandoned and foreclosed residential properties for the purpose of selling, renting or redeveloping such properties. Recipients will use funds awarded under NSP2 to stabilize neighborhoods whose vitality has been and continues to be damaged by the economic effects of properties foreclosed upon or abandoned. Applicants will compete for up to \$1.93 billion to carry out neighborhood stabilization programs. HUD requires that all NSP2 funds benefit persons whose income does not exceed 120% of area median income. No less than 25% of the funds must be used to benefit persons at or below 50% of area median income. Qualifying income data updated March 19, 2009 may be found at: www.huduser.org/DATASETS/nsp.html.

Below is a summary statement of the proposed target geography, proposed budget, and proposed uses of the funds. This document has also been posted on HASMC’s website at http://www.co.saint-marys.md.us/housing/announcements.asp. HASMC will accept comments concerning this NSP2 planned program summary on an on-going basis. Written comments may be mailed to Dennis L. Nicholson, NSP2 Public Comments, Housing Authority of St. Mary’s County, MD, 21155 Lexwood Drive, Suite C, Lexington Park, MD 20653 or emailed to dennis.nicholson@co.saint-marys.md.us or faxed to: 301-737-5628. Public comments will receive a response and will be summarized and included in the NSP2 application which will be posted on HASMC’s website no later than July 28, 2009. This is a Fair Housing Equal Opportunity Project.

PROPOSED TARGET GEOGRAPHY - HUD Qualified Census Tracts:

Description of proposed target geography (Census Tracts) may be found at: http://www.huduser.org/nspgis/map.aspx

<u>Census Tract:</u>	<u>City and State:</u>
24037995900	Lexington Park, MD
24037996001	Lexington Park, MD
24037995200	Chaptico, MD

PROPOSED FUNDING USES AND AMOUNTS

Total Amount of NSP2 Funds being applied for the above listed communities: \$17.25 million

HASMC will use \$6.5 million for the acquisition, renovation and resale or rental of at least 75 abandoned and/or foreclosed homes in the targeted neighborhoods in St. Mary’s County, Maryland. Up to 75 of these rehabilitated homes will be sold to families at or below 120% of area median income, with a goal of selling 25% to families at or below 50% of area median income. Essential in the success rate of these new homeowners, all will be required to undertake homebuyer educational counseling. In addition, in order to increase the affordability to those families who demonstrate need and qualify, \$3.75 million of the NSP2 funds will be used as second mortgages at 0% interest rate for a term of 30 years. The maximum amount of the second mortgage will be 20% of the purchase price or \$50,000, whichever is less. The use of second mortgages will target families in need, provide an incentive to purchase the homes and will keep them affordable for a long period of time. HASMC also proposes \$7.0 million to establish and operate Land Bank(s) for homes and residential properties supporting future affordable workforce housing needs.

Efforts will be made to accommodate the disabled and non-English speaking residents, please contact Jean Ortiz at 301-866-6590 x 1440 or the Maryland Relay Service at: 1-800-735-2258 (V/TTY).

Los esfuerzos serán hechos para acomodar el hablar incapacitado y no-inglés a residentes, contactan por favor a Jean Ortiz en 301-866-6590 X 1440 o el Servicio de Relevó de Maryland en: 1-800-735-2258 (V/TTY).

