

GENERAL OVERVIEW OF DASH NEIGHBORHOOD REVITALIZATION ACTIVITIES AND PLANS IN MISSISSIPPI

DASH Neighborhood Revitalization, Inc. (DASH) supports its affiliate organizations DASH for LaGrange (LaGrange, GA) and DASH for the Gulf Coast (Mobile, AL) who are duly designated 501-c-3 non-profit corporations. With support from Neighborhood Reinvestment Corporation d/b/a NeighborWorks® America, a non-profit creation of Congress in 1978, DASH has begun work in the Gulf Coast region in response to Hurricane Katrina. This report will attempt to establish the Mission of DASH and report its activities and plans for permanent housing solutions for families displaced by Hurricane Katrina.

MISSION OF DASH NEIGHBORHOOD REVITALIZATION

To revitalize and make sustainable once vibrant neighborhoods by eliminating sub-standard housing, creating socio-economic diversity, encouraging homeownership, inviting economic development, and engaging residents in active community leadership.

IT'S VISION TO ADDRESS HURRICANE KATRINA REBUILDING

In October, 2005, NeighborWorks® America engaged the Executive Directors of its Southern District in a conference call to determine a meaningful response to the devastation of Hurricane Katrina. As President & CEO of a NeighborWorks affiliate, DASH for LaGrange, I was asked by Don Phoenix, Southern District Director, to go to the region and to develop a business plan strategy to address a meaningful permanent housing plan of action. After several trips into the Mississippi and Alabama Gulf Coast areas, I reported back a plan that recommended the following three points:

1. **Create several Homeownership Centers** across the Gulf Coast regions of Louisiana, Mississippi, and Alabama. The number that was recommended was 7 centers to help families determine individual action plans for recovery, rebuilding, and/or building new housing. This number has now been expanded to 10 centers.
2. **Establish a supply of modular housing.** The volume of new and rebuilt housing needed could not be provided by the construction labor workforce remaining in the region in any reasonable amount of time. The design and construction of a modular housing supply stream through existing and new modular plants was needed.
3. **Acquisition and assembly of buildable properties.** We would need to acquire large tracts of land to develop into communities or to assemble properties in rebuilding efforts.

DASH ACTIVITIES IN THE GULF COAST REGION

MOBILE, ALABAMA: With the above outlined plan, Neighborworks agreed to fund a start-up non-profit in Mobile, Alabama. That location was chosen because of the intact infrastructure to support such an effort. The operation has been staffed since June, 2006 and has purchased **244 lots and houses** in a traditional African-American neighborhood in Mobile. The first homes 4 homes are being rebuilt, the first 3 modular homes are being completed within the next 10 days, and a Grand Opening is planned for mid-March.

BAYOU LA BATRE, ALABAMA: FEMA developed an "Alternative Housing" program to replace the FEMA trailer program. The City of Bayou La Batre, AL asked DASH to participate in writing a grant request to be able to build a part of these housing units in Bayou La Batre. We (Bayou La Batre and DASH) were awarded the only grant in Alabama. The grant amount was **\$15,667,000**. We are currently working with FEMA to plan all aspects of this grant.

PASCAGOULA, MISSISSIPPI: In 2006, Fannie Mae introduced DASH to the City officials of Pascagoula and to the devastation there. During Katrina, reportedly 95% of the City was covered in water. Working with the City of Pascagoula, using NeighborWorks and Fannie Mae funding, DASH identified the Chipley neighborhood where 230 homes were destroyed and now 230 slabs exist, developed a Master Plan for rebuilding, held a Town Hall meeting to present to the residents, and began assembly of properties. The problems that existed that made this assembly and rebuilding a daunting task were:

- Amended FEMA flood elevations impacted rebuilding costs by approximately \$30,000.
- Investor acquisitions and speculation was raising the acquisition costs by a large amount.
- Legal issues associated with the property disruption.

Along with the City Manager and the Mayor, DASH visited the Governor and his staff in September, 2006. We were asked to develop a “replicable model” for creation of housing solutions to the lower 6 counties of Mississippi.

SOUTHERN MISSISSIPPI: With this request from the Governor, we convened a “think tank” session by 16 very talented people from:

- NeighborWorks® America
- Fannie Mae
- Neighborhood Housing Services of America
- Whitney National Bank
- The City of Pascagoula
- DASH Neighborhood Revitalization

A plan was agreed upon and was prepared and delivered to the Governor and his staff on October 8, 2006. The plan proposed the following:

That the State for Mississippi approve a funding of \$48 million to be used in the following manner:

- \$27 million to be used to offset the additional foundation cost created by the new FEMA flood elevations.
- \$7 million to be used for land acquisition in excess of fair market value.
- \$7 million to provide down payment assistance for families below 80% AMI.
- \$7 million in a revolving fund to be used to “table fund” loans prior to mortgage sale. Most of these funds would be secured for recovery to the State at “point of sale” or from “soft second” amortizations.

With this funding approval, DASH agreed to build 1,000 housing units within the 6 counties, to create 3 Homeownership Centers with funding from NeighborWorks and Fannie Mae, one each in Gulfport, Pascagoula, and Pass Christian.

This proposal is still under consideration as we look for other ways to address the problems.

OTHER PLANNING TO ADDRESS THE PROBLEMS:

In an attempt to find a way to mitigate the additional insurance costs, we have engaged some of the best financial minds to develop a plan that uses New Market Tax Credits and reduced traditional debt to “drive down” the cost of money. This could then be reused to make market rate loans and to use the reduced “cost of money” gap created to mitigate the increased insurance costs. As a result of this study, we have partnered with Hampton Roads Ventures of Norfolk, VA to apply for a NMTC allocation to use in this way.

The State of Mississippi has assigned to Enterprise Corporation of the Delta the management of \$750 million in Phase II recovery funds. DASH is working with ECD to provide a major portion of its housing recovery and homeownership counseling through its three planned Homeownership Centers.

NeighborWorks, Habitat for Humanity, and DASH have ongoing discussions that could create a partnership to build a modular housing factory and acquire property to build together. This could use our collective skills to make a significant difference in the region.

OUR REBUILDING PARTNERS IN THE GULF COAST REGION:

- NeighborWorks® America
- Fannie Mae
- Neighborhood Housing Services of America
- Whitney National Bank
- Whitney Community Development Corporation
- Gulf Coast Business Council
- Renaissance Corporation
- City of Pascagoula
- Habitat for Humanity International

We thank you for this opportunity to present our activities and plans for the Gulf Coast region. We hope your hearing can facilitate a more expedited response.

Respectfully submitted,
Walter O. Hendrix
President & CEO
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DASH for the Gulf Coast, Inc.
DASH for LaGrange, Inc