



# Neighborhood Stabilization Program (NSP)

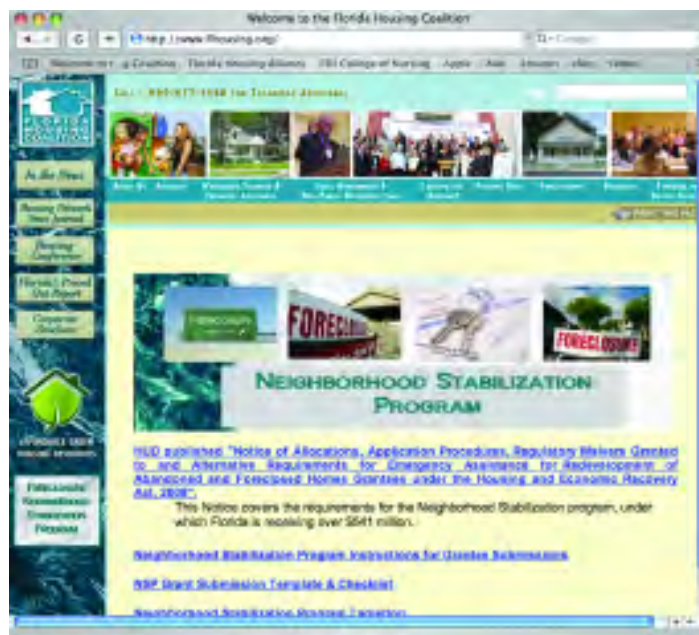
The Housing and Economic Recovery Act (HERA) signed into law on July 30, 2008 is a 694 page omnibus housing bill full of new initiatives and changes to existing programs designed to help the housing market recover. In addition to the Foreclosure Prevention Act of 2008, the Housing and Recovery Act includes numerous other benefits through the Federal Housing Finance Regulatory Recovery Act of 2008, HOPE for Homeowners Act of 2008 (FHA Foreclosure Prevention Refinancing Program), Housing Assistance Tax Act of 2008 (Bond and Credit Cap Increase and Modernization). It also establishes the National Housing Trust Fund, a dedicated revenue source (from GSEs) targeted for rental housing for extremely low income (year 2010) and the Capital Magnet Fund for CDFIs (\$175 million in 2010, estimated to reach \$350 million in 2012).

The Florida Housing Coalition is focusing its attention on on the \$3.9 billion in supplemental CDBG monies for foreclosure recovery, referred to as the Neighborhood Stabilization Program (NSP).

Florida is due to receive \$541 million in NSP funds. The Department of Community Affairs will receive \$91 million and the balance of \$450 million will be distributed directly by HUD to 48 Florida jurisdictions. See page 34 for allocation among the 48 recipients.

## THE ELIGIBLE USES FOR NSP FUNDS:

- (A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-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; and
- (E) Redevelop demolished or vacant properties.



Florida is ahead of the curve because of our existing infrastructure of housing partnerships arising from local SHIP programs. The extremely short time frame for using NSP funding will require local grantees to collaborate with their public and private sector partners; entities such as nonprofit housing providers, counseling agencies, housing authorities, realtors, and lenders.

*Continued on page 34*

## NSP Outline

<p><b>TIMELINE</b></p> <p>15 day public participation requirement –Application must be posted to Web</p> <p>Submit application to HUD</p> <p>Approval by HUD and sign grant agreement</p> <p>All funds must be obligated</p> <p><b>NOTE:</b> Award to a sub recipient does not meet the definition of obligated</p> <p>If HUD requires modifications to application:</p> <p style="padding-left: 20px;">Grant agreement signed</p> <p style="padding-left: 20px;">All funds must be obligated</p>	<p>November 1-15, 2008</p> <p>December 1, 2008</p> <p>January 15, 2009</p> <p>July 15, 2010</p>  <p>February 13, 2009</p> <p>August 13, 2010</p>
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# NSP Grantees

FLORIDA STATE PROGRAM .....	91,141,478
MIAMI-DADE COUNTY .....	62,207,200
ORANGE COUNTY .....	27,901,773
PALM BEACH COUNTY .....	27,700,340
JACKSONVILLE-DUVAL .....	26,175,317
PASCO COUNTY .....	19,495,805
HILLSBOROUGH COUNTY .....	19,132,978
LEE COUNTY .....	18,243,867
BROWARD COUNTY .....	17,767,589
POLK COUNTY .....	14,586,258
TAMPA .....	13,600,915
PORT ST LUCIE .....	13,523,132
MIAMI .....	12,063,702
ST PETERSBURG .....	9,498,962
MIRAMAR .....	9,312,658
PINELLAS COUNTY .....	8,063,759
HOLLYWOOD .....	7,534,603
COLLIER COUNTY .....	7,306,755
SARASOTA COUNTY .....	7,140,861
CAPE CORAL .....	7,065,484
SEMINOLE COUNTY .....	7,019,514
MIAMI GARDENS CITY .....	6,866,119
ORLANDO .....	6,730,263
DELTONA .....	6,635,909
MARION COUNTY .....	6,324,055
HIALEAH .....	5,385,046
MANATEE COUNTY .....	5,283,122
BREVARD COUNTY .....	5,269,667
VOLUSIA COUNTY .....	5,222,831
PALM BAY .....	5,208,104
TAMARAC .....	4,772,218
ESCAMBIA COUNTY .....	4,565,918
PEMBROKE PINES .....	4,398,575
POMPANO BEACH .....	4,366,157
WEST PALM BEACH .....	4,349,546
LAUDERHILL .....	4,293,288
FT LAUDERDALE .....	3,700,096
SUNRISE .....	3,494,986
CORAL SPRINGS .....	3,378,142
LAKE COUNTY .....	3,136,967
BOYNTON BEACH .....	2,963,311
HOMESTEAD CITY .....	2,887,010
NORTH MIAMI .....	2,847,089
KISSIMMEE .....	2,371,749
FT MYERS .....	2,297,318
MARGATE .....	2,106,555
PLANTATION .....	2,016,309
LAKELAND .....	2,005,781
DEERFIELD BEACH .....	2,005,699

All of these housing partners need to collaborate quickly to meet the short time frame for the obligation and expenditure of NSP funds. But the urgency to expend the monies should not overshadow spending these monies wisely. The purpose of the NSP funding is to stabilize neighborhoods. It is entirely possible to expend the NSP monies in accordance with the eligible uses and fail to meet the overriding goal of the program if the grantees do not use these monies strategically to alleviate the neighborhood decline that is the result of foreclosed, abandoned, and vacant properties.

In thinking strategically about the NSP, ask these questions about your plan: Will the activities...

- Restore housing market activities- these include first mortgages from lenders, closing services, contractors and subcontractors
- Encourage new residents to move to the area
- Increase property values in the neighborhood
- Add or restore properties to the tax rolls
- Decrease government costs in clean up, policing, and nuisance abatement

Are the activities consistent with local market dynamics? For example, are mixed uses typical in the community? Is this primarily a single family market? Multi-family? Are buyers first time homeowners?

Do other coordinated neighborhood stabilization activities include...

- A committed, capable and effective foreclosure prevention program
- Focused code enforcement efforts
- Coordination with other public works projects including infrastructure, roads, parks, economic development
- Jobs and employment programs

Grantees and their partners need to assess whether a particular property or area is a good candidate for NSP funds—whether rehabilitating properties in the area will lead to neighborhood stabilization, whether some properties are better demolished or reused for another purpose. The NSP funds should be used as a catalyst to be complemented by other existing strategies.

The measurement of success for NSP funds should not be how many houses have been bought, demolished, rehabbed, and sold, but rather how many neighborhoods have been stabilized by these activities.

