

Neighborhood Stabilization Program Call for Action

NC Housing Coalition
NC Coalition to End Homelessness

11.20.08

Program Overview

The Neighborhood Stabilization Program (NSP), authorized under the Housing and Economic Recovery Act of 2008 (HERA), makes available \$3.92 Billion in emergency assistance to help states and the hardest hit cities recover from the effects of foreclosures, abandoned properties, and declining property values.

Target Population

- Used for activities benefiting households with incomes < 120% of AMI
- At least 25% of funds must be used to house individuals or families < 50% of AMI.

Eligible Activities as defined in Federal Regs

- Buy abandoned or foreclosed homes
- Redevelop demolished or vacant properties
- Demolish or rehabilitate abandoned, foreclosed or blighted properties
- Offer down payment and closing cost assistance to low- and moderate-income homebuyers
- Reuse properties for affordable rental housing

Time constraints

Once the substantial amendment has been approved...

- Grantees have 18 months to obligate NSP funds
- 4 years will be allowed to expend the funds

NC's Identified Counties

- Alamance
- Brunswick
- Buncombe
- Cabarrus
- Catawba
- Cumberland
- Dare
- Davidson
- Durham
- Edgecombe
- Forsyth
- Gaston
- Guilford
- Iredell
- Johnston
- Mecklenburg
- New Hanover
- Pitt
- Randolph
- Rowan
- Union
- Vance
- Wake

NC Funding

- NC state program to receive \$52,303,004
 - local foreclosure rate: 3.3%
 - local abandonment risk: medium
- Charlotte to receive an additional \$5,431,777
 - local foreclosure rate: 3.2%
 - local abandonment risk: high

North Carolina's Plan

- Financing - \$8.5M
- Acquisition/Rehabilitation - \$24.3M
- Land Banking - \$2.6M
- Demolition - \$3.3M
- New Construction - \$7M
- Housing Counseling - \$1.3M
- Administration - \$5.2M

Public Comment Period

- The Division of Community Assistance is accepting written comments until December 1, 2008 for the state plan.
- Comments should be emailed to Vickie Miller, CDBG Assistant Director at vmiller@nccommerce.com
- Send your comments as soon as possible, don't wait!

Suggestions for Comments

- Income Targeting – 80% and below except in low income areas
- Tenant Protections – Uniform Relocation Act
- More Emphasis on Land Banking in growing cities
- Demolition Threshold and Replacement
- Rental Targeting and 30% Rule
- Counseling tied to homeownership

Contact Us

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