

# 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](mailto: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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