

Attachment A

PROGRAM STATEMENT NEIGHBORHOOD STABILIZATION PROGRAMS (NSP)

Program Purpose: To provide Neighborhood Stabilization Program (NSP) funding for the following activities listed below to stabilize neighborhoods and preserve affordable housing opportunities:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed
- Establish land banks for foreclosed homes
- Demolish blighted structures
- Redevelop demolished or vacant properties

Acquisitions could include multifamily and single family parcels, duplexes and four-plexes, multifamily properties for redevelopment, including homeless rental units, to achieve affordability for low and moderate-income homebuyers and renters to benefit NSP designated neighborhoods through the making of loans/grants that promote activities that contribute to the development of viable neighborhood communities by providing decent housing and a suitable living environment. Both components will increase the supply of existing and new affordable single-family housing, workforce housing and multifamily development.

NSP Areas: Defined in Exhibit A of this attachment, NSP requires that a grantee establishes areas of greatest need, or target areas, in its Action Plan and that NSP funds be invested in those areas. Pursuant to HUD guidance, these areas of greatest need are determined by taking into consideration the following factors:

- the greatest percentage of home foreclosures;
- the highest percentage of homes financed by sub-prime mortgage related loans;
- areas identified by the State or the City as likely to face a significant rise in the rate of home foreclosure over the next 18 months.

The landscape of the real estate market and the needs of communities have changed significantly since the launch of NSP.

- Housing will solicit applications via a Notice of Funding Availability (NOFA) and will include a list of available properties and project selection criteria for acquisition and redevelopment of properties.

- Developers acquiring properties will be required to maintain properties in order to avoid City Code Compliance Department (CCD) violations.
- Vacant properties will be sold to qualified developers and may also be combined with other City owned lots being sold in the same NSP neighborhood.
- Developers will be required to redevelop the vacant property and sell or rent the newly constructed home within three years.
- The NSP lots, once redeveloped, will be subject to affordability requirements at or below 120% of Area Median Family Income (AMFI). Twenty-five percent (25%) of the NSP funds must be used for housing individuals and families whose incomes do not exceed 50 percent of AMFI.

Program Operations:

Activities will proceed as follows:

- The NOFA will be available when funding is sufficient to support a NSP project request according to the requirements of this program statement and the NOFA.
- Contract awards will be made through a NOFA that will be posted online to interested entities for the acquisition and/or redevelopment, for the sale or rent of properties in the target areas.
- Interested developers will be reviewed and underwritten for capacity, development experience, financials and production will all be considered in recommending a contract award
- City staff is responsible for reviewing completeness of funding proposals and determining if the applicant meets the minimum requirements.
- The City reserves the right to reject all proposals/applications.
- NSP funded acquisitions will carry recapture provisions in deed restrictions executed by the owner of the property, in accordance with the Comprehensive Housing Policy

If there is any conflict with the applicable regulations, the regulations shall control.