



# NEIGHBORHOOD STABILIZATION PROGRAM AMENDMENT

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**CITY COUNCIL MEETING**

**APRIL 17, 2023**

# NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

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## Purpose

- The purpose of assisting communities with high rates of abandoned and foreclosed homes due to 2008 recession.

## NSPI Grant

- Received in 2008.
- Closing NSPI grant.
- NSP program income is \$120,000.

# PROPERTY TYPES

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- Only 3 property types can receive NSP assistance:
  1. Foreclosed Properties
  2. Abandoned Properties
  3. Development of Vacant Land



## Financing Mechanisms

For purchase and redevelopment of foreclosed homes and residential properties.



## Acquisition and Rehabilitation

Purchase and rehabilitate homes and residential properties abandoned or foreclosed.



## Land Banking

Establish land banks for foreclosed homes.



## Demolition of Blighted Structures

Demolish blighted structures to mitigate decline of surrounding properties.



## Redevelop demolished or vacant properties

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# NSP ELIGIBLE ACTIVITIES



# NSPI PROPOSED AMENDMENT

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- \$120,000 NSP Program Income
- Proposed Activity
  - First time homebuyer assistance for 5 single-family homes constructed on NW 5<sup>th</sup> Ave. and N Court St. with HOME funds.
- Loan Terms
  - 30-year deferred at 0% interest.

# NSPI PROPOSED AMENDMENT BENEFITS

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## Secondary financing for NW 5<sup>th</sup> Ave. Project

- Secondary financing needed due to high housing market.
- Not sold within 9 months of construction, must be rented low-income tenant.

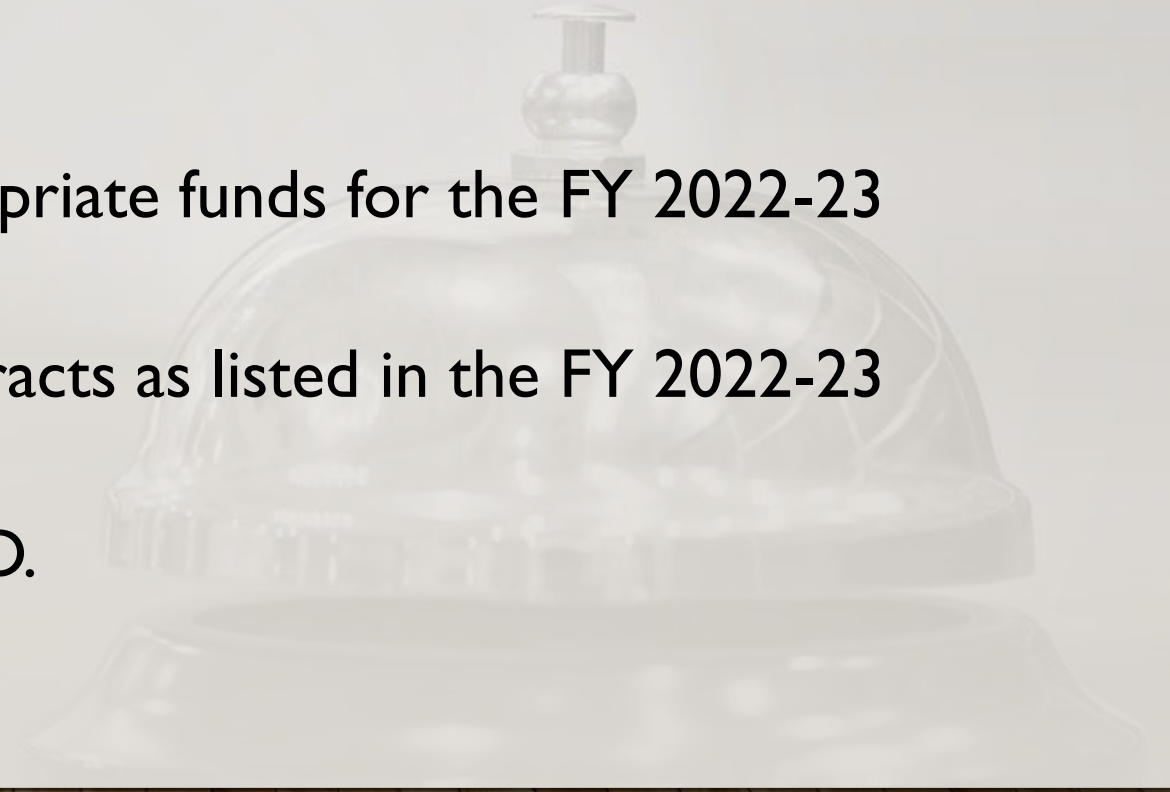
## Closeout of 2008 NSPI Grant

- Only 3 eligible types:
  - Foreclosed properties
  - Abandoned properties
  - Vacant land.

# ACTION TONIGHT

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- Staff Recommends:
  - Conduct a Public Hearing.
  - Motion to approve and appropriate funds for the FY 2022-23 NSPI Amendment.
  - Motion to enter into all contracts as listed in the FY 2022-23 NSPI Amendment.
  - Authorize submission to HUD.



# NSP INELIGIBLE ACTIVITIES

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## Foreclosure prevention

- Including refinancing mortgages, paying back taxes or mortgage payments.

Demolition of non-blight structures

Any NSPI activity that is not within the approved neighborhood/target area.