

Oregon Housing and Community Services Department

Neighborhood Stabilization Program

Funding from ARRA

For More Information

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Program Overview

The Neighborhood Stabilization Program (NSP) is contained within the Housing and Economic Recovery Act of 2008. State and local governments were allocated \$3.92 billion nationwide. This new one-time grant program is being allocated under the Community Development Block grant program as emergency assistance to redevelop abandoned and foreclosed homes.

Oregon's allocation of \$19.6 million was the minimum granted to states. No local jurisdictions received a separate allocation.

The statute calls for the funds to be used to:

- 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;
- 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;
- establish land banks for homes that have been foreclosed upon;
- demolish blighted structures; and
- redevelop demolished or vacant properties

ARRA Funding

In 2009, additional Neighborhood Stabilization funding of \$2 billion nationwide was provided through ARRA.

The funds will be competitively awarded. States, cities, and counties throughout the country are eligible to apply.

Competitive grants will be awarded for activities eligible under division B, title III of the Housing and Economic Recovery Act of 2008 (Public Law 110-289, NSP round 1), to address home foreclosure and abandonment and for the provision of capacity building and support for NSP grantees.

Continued –



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Eligibility

Eligible applicants are states, units of general local government, nonprofit entities, and consortia of nonprofit entities, which may submit proposals in partnership with for-profit entities.

Other Requirements/Criteria

Rating factors will include grantee capacity to execute projects, leveraging potential, and concentration of investment to achieve neighborhood stabilization. Grantees must expend at least 50 percent of each grant within two years and 100 percent within three years of grant award. HUD will run two competitions – one addressing the provision of technical assistance (not to exceed \$50 million) and one to provide programmatic funding for grantees (remainder of funding). OHCS will be applying for the programmatic funding only (ineligible for the technical assistance funding.).

More information on the Neighborhood Stabilization ARRA funding can be found on the Housing and Urban Development website at: <http://www.hud.gov/recovery/nspg.cfm>

Implementation Process/Steps

- OHCS and other entities will be forming a consortium and will apply for ARRA Neighborhood Stabilization funds by July 17, 2009.
- Awarded funds are expected to be available in December 2009 or January 2010.
- All funds must be expended within 3 years.

Last updated 6/11/09

OHCS is the state housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for lower income Oregonians. The agency also administers federal and state antipoverty, homeless and energy assistance community service programs.



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