



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

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State housing agency awards \$6.8 million to help stabilize neighborhoods in Midland County

(AUSTIN) — Recognizing the importance of stabilizing communities undermined by foreclosure and declining property values, the Texas Department of Housing and Community Affairs (TDHCA) today announced the awarding of a major federal grant to a local housing authority designed to help communities remain vibrant.

TDHCA awarded \$6.8 million to the Midland County Housing Authority, which the agency will use to purchase and rehabilitate foreclosed or abandoned homes for rent or resale to qualifying households, as well as for the demolition of blighted structures within the county. The award was one of 61 totaling \$96.8 million made this month through the Department's Neighborhood Stabilization Program (NSP), an innovative grant program originating through the federal Housing and Economic Recovery Act of 2008.

"TDHCA is committed to allocating these funds in a fast and effective manner to help neighborhoods across Texas mitigate rising foreclosure rates and stop the long slide toward blight," said Michael Gerber, TDHCA Executive Director. "We are confident that this award will successfully stabilize property values and restore the local tax base, while providing numerous benefits to the local construction industry. It is innovative collaborations like this that will help place distressed communities on the path to recovery."

The Neighborhood Stabilization Program is designed to help cities, counties, and eligible nonprofit organizations acquire and/or redevelop foreclosed properties that might otherwise become sources of abandonment and blight. NSP provides funds to purchase foreclosed or abandoned homes and to rehabilitate or redevelop these homes to serve low to moderate households, helping to stabilize neighborhoods and stem the decline of house values of neighboring homes.

Earlier this year, Texas received approximately \$173 million in NSP funds from the U.S. Department of Housing and Urban Development (HUD). Approximately \$71 million of this total was previously identified by HUD as a direct allocation to 14 cities and counties with the greatest needs. TDHCA, together with the Office of Rural Community Affairs, is administering the remaining \$102 million, \$6.8 million of which was represented by this funding award.

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Eligible activities include the demolition or removal of blighted structures; financing mechanisms for the purchase of foreclosed, abandoned, or redeveloped homes; the acquisition of such homes for sale or rent to income eligible households; the rehabilitation of homes and residential units; and the management and disposition of vacant land through land banks to revitalize neighborhoods.

While HUD rules allow NSP funds to target a range of low to moderate household incomes, applicants will be required to set a goal of expending at least 35 percent of their award assisting households at or below 50 percent of area median income. However, this goal may vary by area and activity.

For Midland County, this is equal to an annual income of \$30,100 for a family of four.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, colonia housing programs, and disaster recovery housing programs. It currently administers over \$1 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.