

2009 JUN 11 PM 3:49

# **Neighborhood Stabilization Program (NSP)**

Housing and Economic Recovery Act of 2008 (HERA)

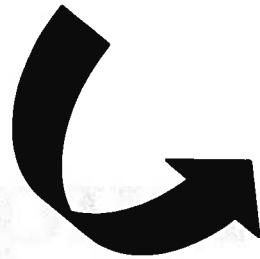
**Federal Stimulus Funds  
for the purpose of  
Stimulating Local Economies**

# Purpose of Stimulus Dollars

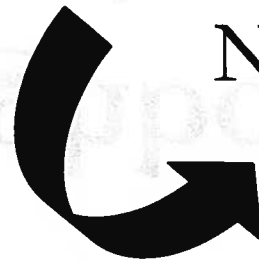
Federal  
Stimulus Dollars



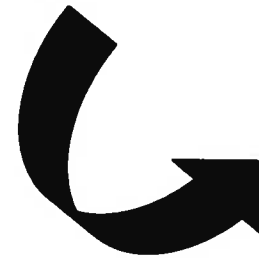
Federal HUD



California  
State HCD



Non-Entitlement  
Communities



Private  
Sector



# NSP Funding Allocation

- Housing and Economic Recovery Act of 2008
- The Federal Department of Housing and Urban Development (HUD) allocated funds to states and entitlement jurisdictions
- **California allocation (HCD) - \$529.6 million**
  - **El Dorado County - \$1,483,528**
    - General Administration - \$74,176
    - Program Activity - \$1,409,352 (Passes through the County to local community providers)
  - **City of South Lake Tahoe - \$126,568**
    - Passed through the County

# NSP Eligible Activities

## Opportunities for Local Contractors

- Purchase and Rehabilitate Foreclosed Homes
  - Purchase of foreclosed upon, bank-owned homes
    - Banks must discount homes 15% below appraised value to be under NSP.
  - Local contractors will be hired to rehabilitate homes for resale.
  - Homes will be sold to eligible households earning at or below 120% median income (moderate income limits)

# NSP Eligible Activities

- Demolition of blighted structures
- Financing Mechanisms
  - Mortgage Write-Down Assistance
    - Sales prices established below acquisition cost
  - Shared-Equity Loans
    - Soft seconds
    - Down Payment Assistance



# Grant Implementation

- County staff providing administrative oversight
- Request for Proposals (RFP) to obtain a Contractor
- Potential Contractor must be Non-Profit (for profit partnerships with Non-Profits are o.k.)
  - Builders Exchange
  - Pacific West Communities
  - Habitat for Humanities
  - Mercy Housing California
  - Pacific Housing, Inc.
  - Any Local Realtors, Construction, and Mortgage Groups

# Contractor Responsibility

- Takes Title of the Property
- Negotiate with Banks
- Employ Rehab Crews
- Marketing and the Resale Homes
- Provide Homeownership Counseling

**\*NOTE\***

- Properties will not be removed from the tax rolls
- Contractor required to use local:
  - Contractors
  - Realtors
  - Banks/Mortgage Companies

# NSP Time Table

- Funds will be awarded following application deadline of June 15, 2009.
- Funds must be 75% obligated to specific projects by December 31, 2009 and 100% obligated by March 31, 2010.
- Funds must be 100% spent by September 30, 2011.



# Foreclosures and Waitlist

- 246 = Number of Units foreclosed on in target areas
  - 95682 = 79
  - 95619 = 6
  - 95762 = 117
  - 95634 = 3
  - 95726 = 41
- 189 = Number of potential home buyers currently on County waitlist prescreened for income eligibility

# Benefits to the County

- 8-18 Rehabilitated foreclosed upon residential properties (profits are rolled back into an account)
- Target of abandoned properties that have been vandalized
- Local Contractors, Realtors and Banks are utilized
- Increase Homeownership opportunities for moderate and lower income families
- Meets Housing Element Objectives and contributes to RHNA targets

# County Impacts

- ❖ No Match Required
- ❖ No County Funds Leveraged
- ❖ No In-Kind
- ❖ Administrative Oversight Cost covered by Grant

# Requested Action

- Adoption of a Resolution authorizing submittal of a 2009 Neighborhood Stabilization Program Application jointly with the City of South Lake Tahoe (City) to the California Department of Housing and Community Development for up to a \$1,610,096 grant