

NEIGHBORHOOD STABILIZATION PROGRAM

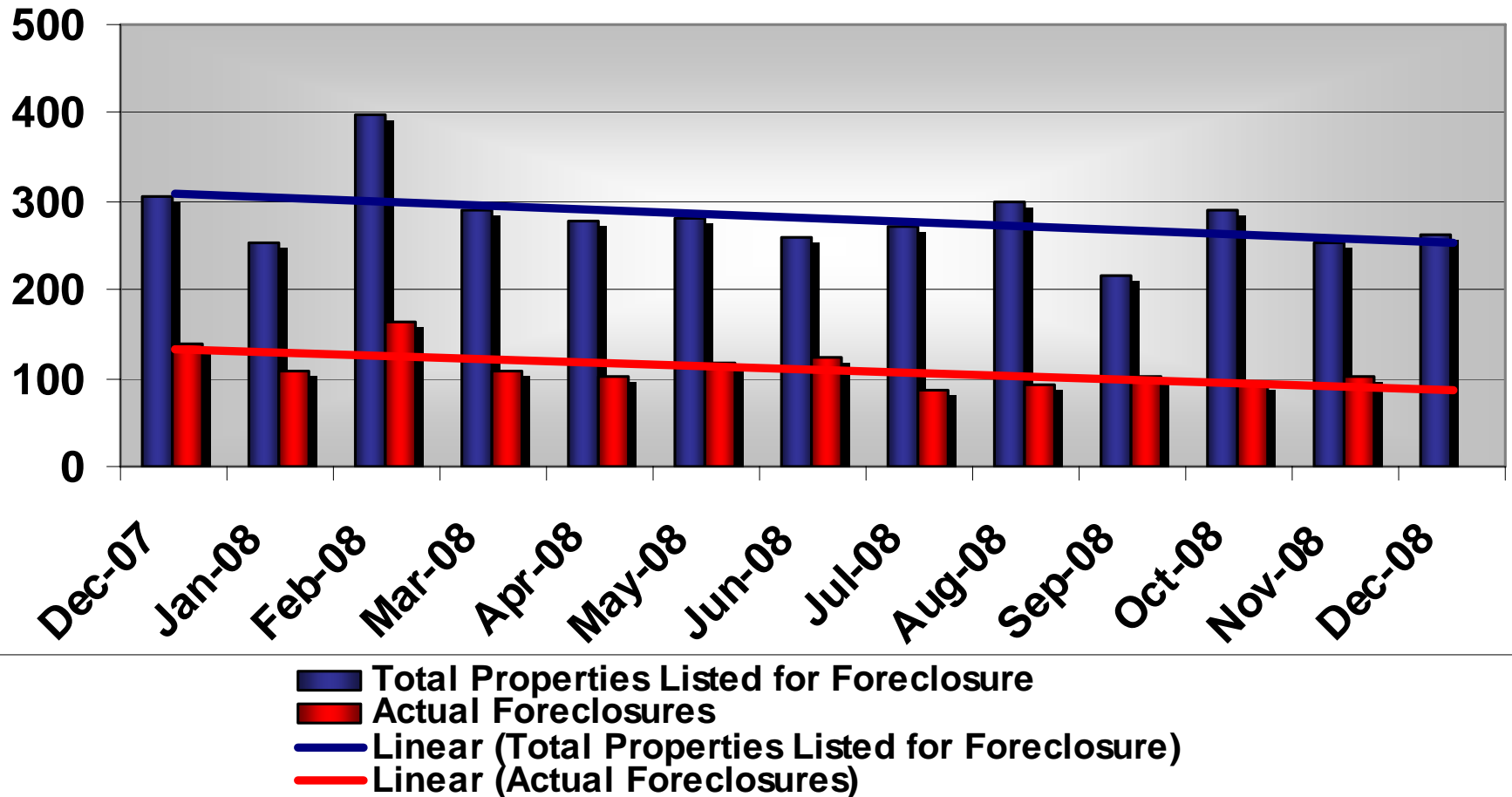
Council Member Robert Rivera's
Town Hall Meeting

12/4/08

David Zappasodi

Assistant Director, Community Services

City of Arlington Foreclosure Listings Compared to Actual Foreclosures



NEIGHBORHOOD STABILIZATION PROGRAM

Background:

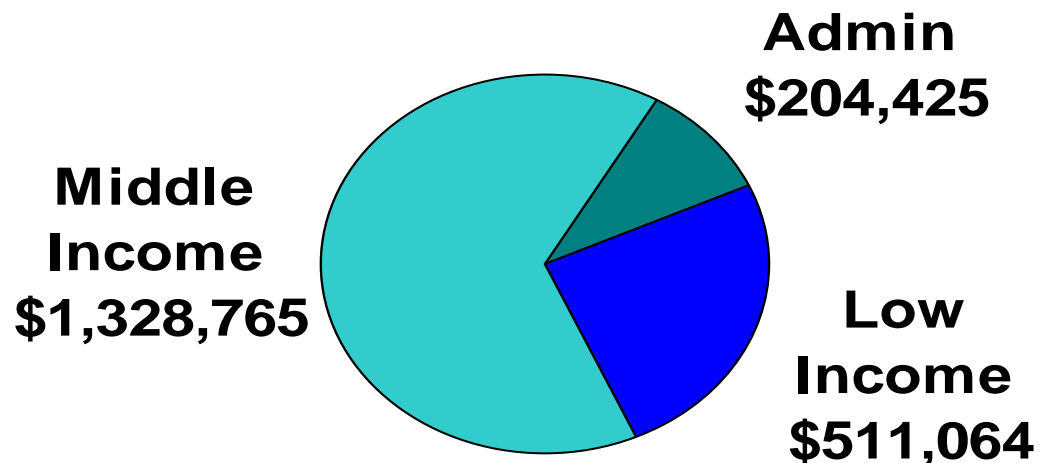
- 7/30/08 - Housing and Economic Recovery Act of 2008
- 9/26/08 – \$3.9 B funding awards announced; \$2,044,254 - Arlington
- 10/7/08 – NSP Regulations published

NSP FUNDS

- Must be used to benefit persons that are middle, moderate or low income
- Establish financing mechanisms to purchase and redevelop foreclosed upon homes
- Purchase and rehabilitate foreclosed upon homes, in order to sell, rent, or redevelop
- Establish land banks;
- Demolish blighted structures
- Foreclosure prevention activities are not included in this program

NSP Requirements

1. 25% of NSP funds must be used to benefit persons at or below 50% of AMI
2. 10% of NSP funds may be used for NSP Administration
3. Balance of NSP funds must be used to benefit persons at or below 120% of AMI



NSP Income Limits

Persons	50% of Area Median Income	120% of Area Median Income
1	\$22,600	\$54,240
2	\$25,850	\$62,000
3	\$29,050	\$69,750
4	\$32,300	\$77,500
5	\$34,900	\$83,800
6	\$37,450	\$89,900
7	\$40,050	\$96,100
8	\$42,650	\$102,350

Acquisitions and Sales:

Foreclosed homes must be acquired seeking the “maximum reasonable discount” of:

- at least 5% for each property’s current market appraised value and
- at least 15% for the entire portfolio

The sale price of rehabilitated homes must be equal to or less than the cost to acquire, rehabilitate and sell the home

Appraisals

- Appraisals are required to determine fair market value
- Appraisals must be acquired within 60-days prior to offer to purchase

Timely Use and Expenditure of Funds

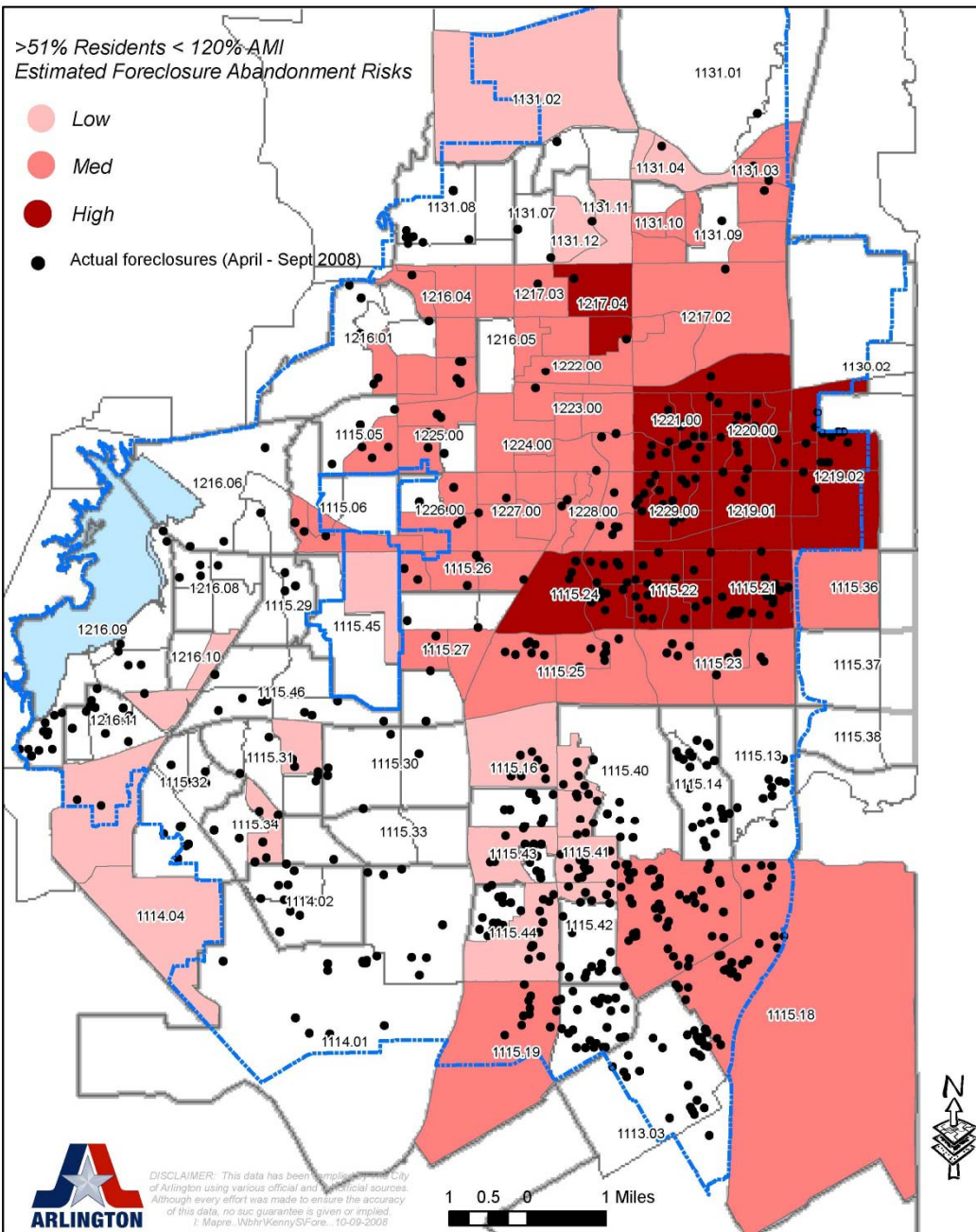
1. NSP funds must be obligated within 18-months of execution of the grant agreement
2. NSP funds must be expended within 4-years
3. Unexpended NSP funds are recaptured by HUD and returned to the US Treasury

Priority for Areas of Greatest Need

NSP funds must be used targeting areas of greatest need

- Greatest % of home foreclosures
- Highest % of homes financed by sub prime loans
- Areas likely to face a significant rise in home foreclosures

Arlington Foreclosure Data for Neighborhood Stabilization Program



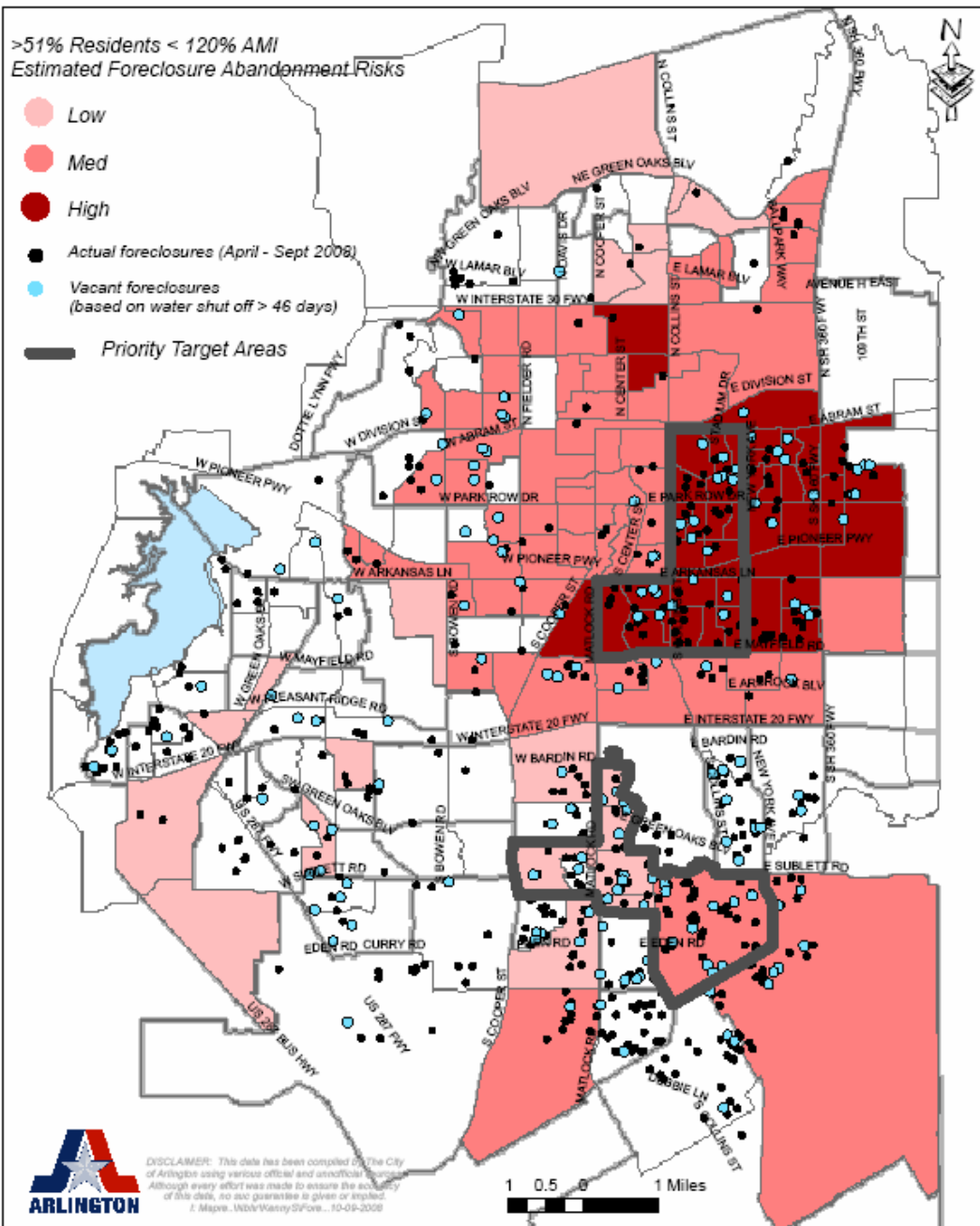
Summary

- NSP designed to be flexible
- Raise challenging implementation issues
- Time is short –
 - 18 months to use the funding

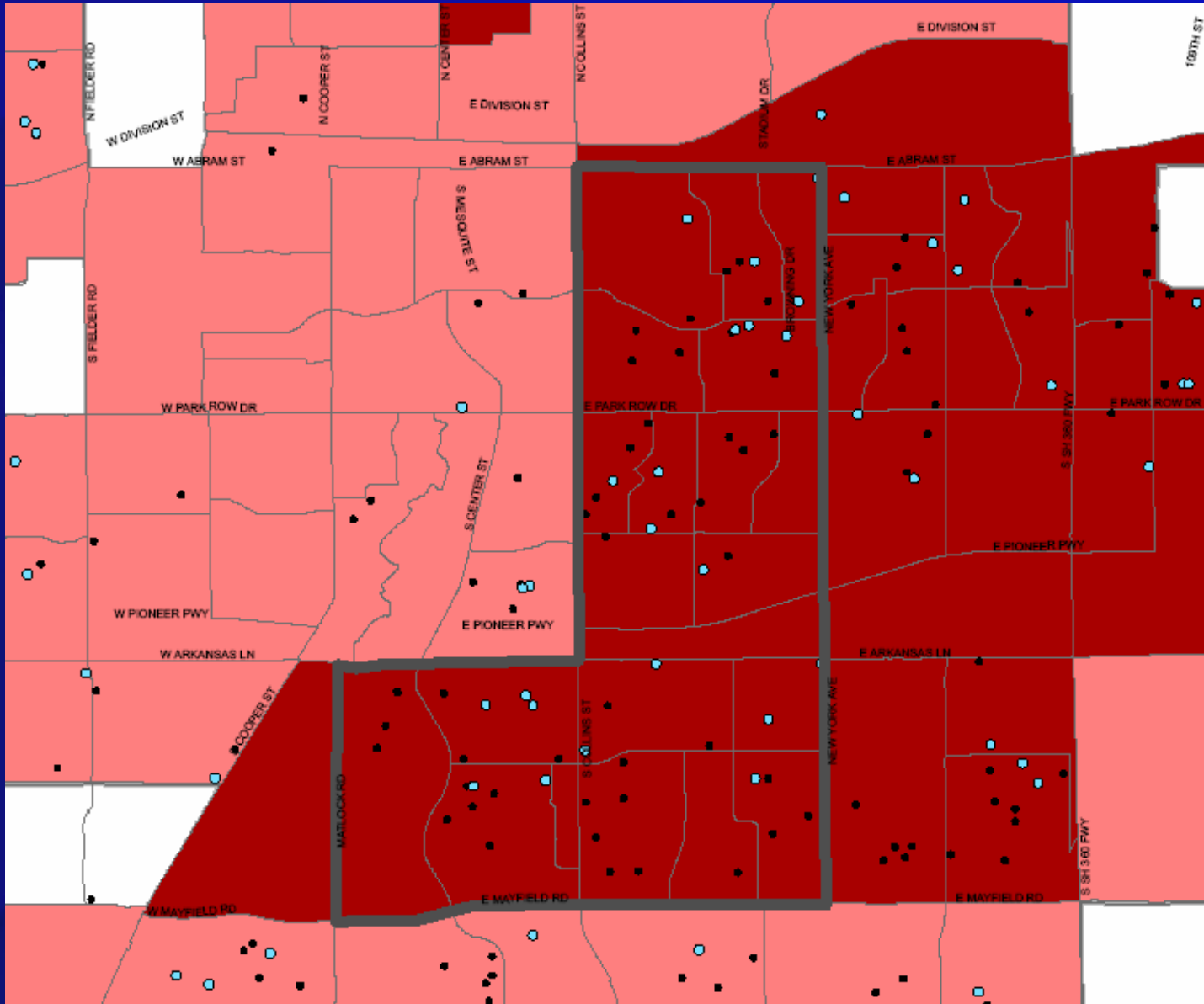
Actions Taken

- Application submitted to HUD
- Identified areas of greatest need as target areas
- Leverage NSP grant with local lender resources to maximize the number of foreclosed home acquisitions in Arlington target areas

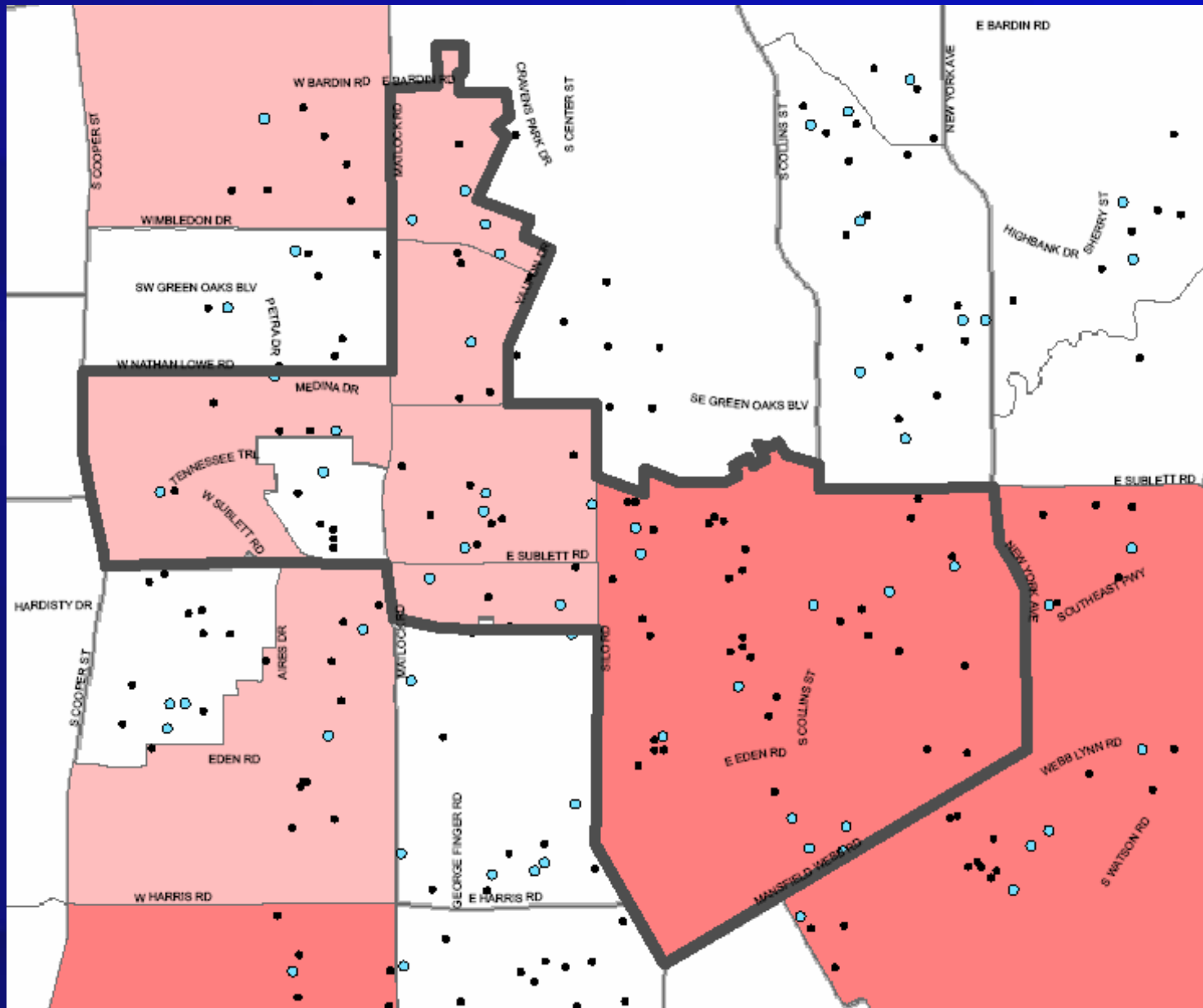
Arlington Foreclosure Data for Neighborhood Stabilization Program



East Central Arlington



South East Arlington



NEXT STEPS

- 2/13/09 – HUD to respond to application
- 3/1/09 – Anticipated NSP implementation

QUESTIONS

Presentation copy:

[http://www.arlingtontx.gov/housing/neighborhood
stabilization.html](http://www.arlingtontx.gov/housing/neighborhood_stabilization.html)

Foreclosure Relief Resources :

<http://www.arlingtontx.gov/housing/hopenow.html>