Neighborhood Stabilization Program (NSP)

July 24, 2012
Brandy McQueary
NSP Program Manager
Department of Community Development
805 Central Avenue, Suite 700
Cincinnati OH 45202
513 352 1959
brandy.mcqueary@cincinnati-oh.gov
**NSP1  2008**
Housing and Economic Recovery Act (HERA)
$3.9 Billion
City of Cincinnati $8.3 Million

**NSP2  2009**
American Recovery and Reinvestment Act (ARRA)
$1.9 Billion
City of Cincinnati $8.1 Million

**NSP3  2010**
Dodd-Frank Wall Street Reform and Consumer Protection Act
$1.0 Billion
City of Cincinnati $3.1 Million
NSP Laws

**Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008 - Emergency Assistance for the Redevelopment of Abandoned and Foreclosed Homes.**

This Act is the authorizing legislation for NSP. The law allocates $3.2 billion in NSP1 funding. It also includes requirements related to allocations, timeliness, eligible activities, income eligibility, national objectives, program income, relocation, purchase discounts, affordability and sales price, and other requirements.

**Division A, Title XII of the American Recovery and Reinvestment Act of 2009 - Community Development Fund.**

This Act is the authorizing legislation for the second round of funding for NSP. The law allocates $1.93 billion in NSP2 funding. It also includes several major changes to the program, some of which affect NSP1 requirements and some of which only apply to NSP2.

**Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act: Additional Assistance for Neighborhood Stabilization Program.**

This Act is the authorizing legislation for the third round of funding for NSP. The law allocates $1 billion in NSP3 funding. It also amends the 25 percent set-aside requirement by removing the restriction that allows only abandoned or foreclosed upon homes or residential properties to be used to meet this requirement. Instead, NSP grantees may also use vacant or demolished property to meet the set-aside requirement as well.

NSP Notices

**NSP1 Federal Register Notice - October 6, 2008.**

This Notice advises the public of the allocation formula and allocation amounts, the list of grantees, alternative requirements, and the waivers of regulations granted to grantees under Title III of Division B of the Housing and Economic Recovery Act of 2008, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes under the Neighborhood Stabilization Program.

**NSP2 General Section - December 29, 2008.**

This Notice contains HUD’s FY 2009 NOFA; Policy requirements and General Section to HUD’s FY 2009 NOFAs for Discretionary Programs. This Notice provides prospective applicants for HUD’s competitive funding with the opportunity to become familiar with the General Section of HUD’s FY 2009 NOFAs, in advance of the publication of the FY 2009 NOFAs. NSP2 funds were awarded on a competitive basis in FY 2009.
NSP2 Notice of Funding Availability (NOFA) Correction - June 11, 2009
This Notice contains the first correction to the NSP2 NOFA. This correction was issued June 11, 2009. Corrections include changes to the geographic threshold requirement, eligible use for land banks, and the required purchase discount.

NSP1 Federal Register Bridge Notice - June 19, 2009
This Notice provides substantive revisions to the October 6, 2008 Notice, primarily as a result of changes to NSP made by the American Recovery and Reinvestment Act of 2009. This Notice also makes a number of non-substantive technical corrections or clarifications to the October 6, 2008 Notice. It includes revisions regarding land banks, activity eligibility, discount requirements, program income, appraisals, loan adherence to sound lending practices, waivers for non-HUD approved counselors, leasing to Section 8 voucher-holders, tenant protections, citizen comment period for Substantial Amendments, removal of job creation national objective, and other program requirements. The Notice is effective as of June 19, 2009.

NSP2 Notice of Funding Availability (NOFA) Correction - November 9, 2009
This Notice contains the second correction to the NSP2 NOFA. This correction was issued November 9, 2009. The NSP2 NOFA was first corrected by a Notice posted on the HUD website and announced on June 11, 2009 (74 FR 28715). The November 9, 2009 Notice makes further corrections to the NSP2 NOFA to: (1) correct an inconsistency in the NSP2 NOFA regarding when the lead member of a consortium must enter into consortium funding agreements with consortium members; and (2) extend the deadline for submission of such agreements to January 29, 2010. This Notice only affects applications for funding that have already been submitted to HUD by consortium applicants.

NSP2 Notice of Funding Availability (NOFA) Correction - January 21, 2010
This Notice contains the third correction to the NSP2 NOFA. The correction was issued January 21, 2010. HUD corrected the NSP2 NOFA by Notices posted on the HUD website on June 11, 2009 and November 9, 2009, and announced the corrections by Federal Register publications published on June 17, 2009 (74 FR 28715) and November 16, 2009 (74 FR 58973), respectively. The January 21, 2010 Notice corrects the NSP2 NOFA to permit HUD to specify the deadline date for submission of consortium funding agreements in the transmittal letter for the NSP2 grant agreement, which allows the submission deadline to occur after obligation of grant funds.

Notice of Definition Revision to NSP2 (NOFA) for FY 2009 - April 2, 2010
This Notice advises of changes to the NSP2 NOFA Appendix 1 definitions for "abandoned" and "foreclosed" property to assist in better targeting NSP2 assistance for the purchase, rehabilitation, or redevelopment of abandoned and foreclosed properties.

Notice of Change in Definitions and Modification to NSP - April 9, 2010
This Notice implements a program change resulting from an amendment to HERA made by the Helping Families Save Their Homes Act of 2009 (Public Law 111-22, approved May 20, 2009) (HFSHA), and which change was made retroactive to the date of enactment of HERA - July 30, 2008. This Notice also advises of changes to the October 6, 2008 Notice's definitions for "Abandoned" and "Foreclosed" property to assist in better targeting NSP assistance for the purchase, rehabilitation, or redevelopment of abandoned and foreclosed properties.

Notice of NSP Reallocation Process Changes - August 23, 2010
This Notice provides a description of the applicable corrective actions and recapture process for all NSP1 grantees. This Notice advises that HUD is revising the recapture policy of the October 6, 2008 NSP1 Notice, as amended, in a manner that affects the consequences of failing to meet the 18 month deadline for using NSP1 funds.

NSP Comprehensive Notice - October 19, 2010
This NSP Comprehensive Notice provides unified program requirements for grantees of the two formula NSP grant programs, NSP1 and NSP3. The Notice largely supersedes the previous NSP1 and Bridge Notices. This Notice advises of the public of the allocation formula and allocation amounts, the list of grantees, alternative requirements, and the waivers of regulations granted to grantees under Section 2301(b) of the Housing and Economic Recovery Act of 2008 (HERA), as amended, and a third round of NSP funding (NSP3) provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010, approved July 21, 2010 (Dodd-Frank Act). This Notice also notes statutory issues affecting program design and implementation.
NSP Eligible Uses

(a) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties;

(b) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon;

(c) Establish land banks for homes that have been foreclosed upon;

(d) Demolish blighted structures; and,

(e) Redevelop demolished or vacant properties.
NSP1 2008
Housing and Economic Recovery Act (HERA)
$3.9 Billion
City of Cincinnati $8.3 Million

NSP2 2009
American Recovery and Reinvestment Act (ARRA)
$1.9 Billion
City of Cincinnati $8.1 Million

NSP3 2010
Dodd-Frank Wall Street Reform and Consumer Protection Act
$1.0 Billion
City of Cincinnati $3.1 Million

$19.5 Million
City of Cincinnati NSP Program

Stabilization Activities

- NSP Hazard Abatement and Demolition Project
- NSP Single-Family Homeownership Project
- NSP Affordable Rental Project

Neighborhood Stabilization Program
Total Budget Allocation
$19,662,132
City of Cincinnati NSP1 Neighborhoods
City of Cincinnati NSP
Affordable Rental Housing
City of Cincinnati NSP
Affordable Rental Housing
NSP1 Single-Family Homeownership  1519 Chase—Northside
NSP1 Single-Family Homeownership 847 Academy—East Price Hill
NSP2 Single-Family Homeownership 4128 Langland—Northside
City of Cincinnati NSP Program
SWOT Analysis

- Strengths
- Weaknesses
- Opportunities
- Threats
City of Cincinnati NSP Program

Best Practices

- Policy and Procedures
- Energy Efficient/Green Building
- Partnerships
- Flexibility and Focus
City of Cincinnati NSP Program
Data Collection
- Production Levels
- Household Demographics
- Economic Inclusion
- Financial Leverage
- Job Creation and Retention