

**New Hampshire
Neighborhood
Stabilization Program
NSP3
Draft Action Plan**

Development and Approval

- Action Plan for original NSP allocation
- Public Input
- CDFA Board & CDBG Advisory Committee
- Governor
- HUD

How to Comment

- View plan: www.nhcdfa.org
- E-mail: neighborhood@nhcdfa.org
- Hard copies:
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What is NSP 3?

- A \$1 billion-dollar program
- Third one-time appropriation established in Dodd-Frank Financial Reform Act. Built on the framework of:
 - **NSP1**-established under the Housing and Economic Recovery Act (HERA) of 2008, and
 - **NSP2**-established under the American Recovery and Reinvestment Act (Recovery Act) of 2009.

What is NSP 3?

- Legislative Intent:
 - Mitigate the negative impact of the nation's economic decline and housing market collapse
 - Stabilize and revitalize communities/areas hit the hardest
- Very similar to NSP1 rules, uses, objectives
- No obligation deadline
- Expenditures 50% at 2 years; 100% at 3 years

HUD-Approved NSP Uses

- USE A - Financing mechanisms for foreclosed properties
- USE B - Purchase and rehabilitate abandoned or foreclosed homes and residential properties
- USE C* - Land banks for foreclosed properties
- USE D - Demolition of *blighted* structures
- USE E - Redevelopment of demolished or vacant properties

**USE C is not an eligible use in the New Hampshire plan*

Timeline

- December Draft Action Plan Preparation
- January 5 Public Hearing
- January 5 - 21 Public comment period
- February Action Plan reviewed by CDFA Board, CDBG Advisory Committee, & Governor
- March 1 Submit Action Plan to HUD
- March 1 to April 30 HUD reviews and approves plan
- March 14 Applications for funding due to CDFA
- May 19 CDFA awards funding for NSP3 Projects

Targeting

The statute calls for allocating funds to States and local governments with the greatest need, as determined by:

- A. “The number and percentage of home foreclosures in each State or unit of general local government;
- B. “The number and percentage of homes financed by a subprime mortgages in each State or unit of general local government; and
- C. “The number and percentage of homes in default or delinquency in each State or unit of general local government.”

Eligible Communities

- CDFA used the data provided by HUD for the NSP 3 maps at the HUD User.org website to determine the areas of greatest need.

<http://www.huduser.org/nsp/nsp3.html>

- Census tract(s) or project area must have a score of at least 13.
- Project areas can combine census tracts, but still must meet the minimum threshold.

Communities with Eligible Census Tracts

*Acworth
Alexandria
Barnstead
Berlin
Cambridge
Charlestown
Claremont
Colebrook
Columbia
Concord
Derry
Dix's Grant
Dummer
Errol
Erving's Location
Farmington
Franklin
Goshen
Grafton
Haverhill
Hebron*


*Hillsborough
Hinsdale
Kilkenny
Laconia
Langdon
Lempster
Londonderry
Manchester
Marlborough
Middleton
Milan
Millsfield
Milton
Nashua
New Durham
Newport
Northfield
Northumberland
Odell Township
Orange
Orford*

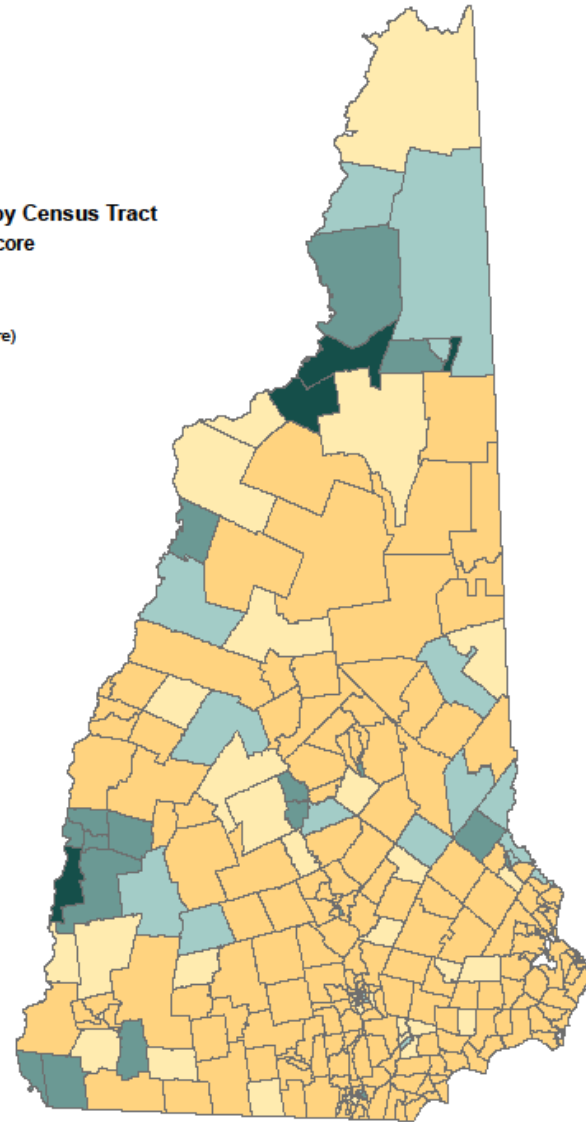
*Ossipee
Piermont
Rochester
Second College
Somersworth
Stark
Strafford
Success
Troy
Unity
Washington
Wentworth
Whitefield
Winchester
Windsor*

Neighborhood Stabilization Program - Round 3

NSP 3 Indicators by Census Tract

Foreclosure Need Score

-  10 or Less
-  11 or 12
-  13 (minimum score)
-  14 or 15
-  15 or More



Income and Affordability

HUD Requires That:

- All households served must earn at or under 120% of AMI
- At least 25% of the funds must benefit households at or under 50% AMI
- Long term affordability required
- Rental or home ownership allowed

Foreclosure

A home is foreclosed upon when:

- Under state or local law, the mortgage or tax foreclosure is complete; AND
- The title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure.

Abandonment

A home is abandoned when:

- Mortgage or tax foreclosure proceedings have been initiated;
- No mortgage or tax payments have been made by the property owner for at least 90 days; AND
- The property has been vacant for at least 90 days.

Key Acquisition Features

- *Neighborhood Stabilization* is key – not just property deals
- Every property must be foreclosed upon, vacant, or abandoned
- Every property must be purchased at least 1% below market

More on Acquisition

- Homes and residential properties are eligible
- Commercial or mixed-use properties
- All vacant land eligible
- End-use must be affordable housing

Once Acquired...

HUD Regulations:

- Can rehabilitate or not
- Can sell to qualifying family
- Can use as rental property
- Can demolish *if blighted*
 - Can redevelop or build new
 - Parks, commercial, and other uses not allowable

Recycled Funds

- Any Program Income generated by NSP3 projects will return to CDFA to be used for NSP purposes.
- Any applicants in eligible areas that submit letters of intent, will be eligible to apply for NSP funding available through program income, returned funds, or any funds that remain available after the initial awards are made.

Proposed Plan Elements

Total Funds:	\$5,000,000
Administration:	\$500,000
Net Program:	\$4,500,000

Summary of Draft Plan

Total Funds	\$5,000,000
– Set-aside for 25% AMI	\$1,250,000
– A: Financing	\$ 100,000
– B: Acquisition/Rehab homes	\$1,500,000
– D: Demolition	\$ 400,000
– E: Acquisition/Rehab vacant	\$1,250,000
– Administration	\$ 500,000

Set-Aside Funds

- \$1,250,000
- NSP activities that benefit households at or below 50% AMI
- Minimum of 25% of state award
- Estimated 5 units

A: Financing Mechanisms

- \$100,000
- Finance the purchase of housing for moderate- and/or middle-income homebuyers (earning from 80% of AMI up to 120% of AMI)
- Estimated 5 households

B: Acquisition and Rehabilitation

- \$1,500,000
- 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
- Estimated 6 units

D: Demolition

- \$400,000
- Demolish blighted structures in cases where demolition is the highest and best use of the property
- No NH definition for “Blighted Structure”
 - Hazardous Building (RSA 155-B:1)
 - Slum (RSA 204-C:1)
- 10% cap
- Estimated 10-12 blighted buildings

E: Redevelopment

- \$1,250,000
- Redevelop demolished or vacant properties
- End-use must be affordable housing
- Estimated 6 households

Administration

- \$500,000
- Includes administration costs for CDFA and its NSP grantees
- 10% cap

Application Process

- Eligible Applicants:
 - Municipalities
 - Nonprofit affordable housing developers
 - For-profit affordable housing developers
 - Nonprofit service providers

- Eligible Projects
 - Neighborhood approach
 - NSP-eligible properties
 - NSP-eligible area

Application Process

- Letters of Intent
 - Only accepted from eligible applicants
 - due January 17
- Application
 - due in March
 - Invitation based on letters of intent
 - Online grants management system
- Awards
 - May 19, 2011
 - CDBG procedures and regulations
 - 2 to 5 awards

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