

PUBLIC NOTICE
NEIGHBORHOOD RENAISSANCE, INC., LEAD APPLICANT
NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2)

On July 30, 2008 the United States Congress approved Public Law 110-289 – Title III of the Housing and Economic recovery Act, 2008 (HERA), appropriating to the U.S. Department of Housing and Urban Development (HUD) funding for emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties. HERA was amended, and appropriated an additional 1.93 billion nationwide for the same purpose. This second round of neighborhood stabilization funds, referred to as Neighborhood Stabilization Program 2 (NSP2) is available through a competitive process and in order for Neighborhood Renaissance to obtain these funds, it must submit a funding application to HUD no later than July 17, 2009. Eligible applicants include states, units of general local government, non-profits, and consortia of non-profits.

HUD's Description, Neighborhood Stabilization Program 2

The purpose of NSP2 is to stabilize neighborhoods whose viability have been and continue to be damaged by the economic effects of foreclosed and abandoned properties. All activities funded under this program must provide benefits to persons whose incomes do not exceed 120% of Area Median Income (AMI) and at least 25% of these funds must be used to assist households whose incomes do not exceed 50% of AMI.

NSP2 eligible activities consist of the following:

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared equity loans for low-moderate income homebuyers;
- 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;
- Establish land banks for homes and residential properties that have been foreclosed upon;
- Demolish blighted structures; and
- Redevelop demolish or vacant properties as housing.

Proposed Program Activities:

Neighborhood Renaissance, Inc., a not for profit and lead agency, has assembled a consortium of entities for the purpose of applying for NSP2 funding to address the problem of abandoned and foreclosed homes. The application being submitted will request up to \$16.28 million to be used in the following Palm Beach County Census Tracts: 14.02, 14.03, 15.00, 16.00, 17.00, 18.01, 18.02, 21.00, and 23.00. Funds will be divided over four activities as follows:

- 1) **Second Mortgage Loan Program:** Funds will be used as a second mortgage to reduce the housing and rehabilitation costs of homebuyers with incomes at or below 120% AMI. All participants will be required to purchase qualified properties in the identified Census Tracts. Consortium partners will assist buyers in assessing transactions for feasibility and evaluating rehab costs. Funding request: \$1 million
- 2) **Residential Redevelopment Program:** Funds will be used to acquire and rehabilitate residential properties that have been abandoned or foreclosed upon, in order to sell, rent

or lease-to-purchase such homes to households earning less than 120% of AMI as their primary residence. Funding request: \$3.8 million

- 3) **Redevelop Vacant Property as Housing:** Funds can be used for the acquisition, predevelopment, or construction of homes affordable to households earning at or below 120% AMI on key mixed-use residential/commercial redevelopment site/s in Northwood. Funding request: \$10 million
- 4) **General Administration and Planning:** Up to 10% of grant request or \$1.48 million of the NSP grant will be used to plan and implement the NSP2 Program over a period of 3 years.

All housing will be made available to households that earn no more than 120% of AMI. The monthly rent for all property developed for lease will not exceed the HUD Area Fair Market Rent for the tenant's income. No less than 25% of the proposed funds will be used for purchase and redevelopment of abandoned and foreclosed-upon homes and residential properties to house individuals and families whose incomes do not exceed 50% of area median income.

Written comments can be mailed or hand delivered on or before July 13, 2009 to:

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or by email to tmurray@neighborhoodrenaissance.org

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