



NEIGHBORHOOD STABILIZATION PROGRAM

Housing and Economic Recovery Act of 2008 Creates New Funding Source for Affordable Housing

Background:

The Housing and Economic Recovery Act of 2008 created the Neighborhood Stabilization Program (NSP), a program that will provide states and hard-hit cities with \$3.92 billion to recover from the effects of foreclosures, abandoned properties, and declining property values. NSP funds are being provided as a one-time supplemental appropriation of CDBG. CDBG generally allows jurisdictions to acquire and make available for either sale or rental foreclosed, abandoned, and blighted properties. The CDBG regulations were modified for this program to allow jurisdictions to do that for folks with family incomes up to 120% of Median Family Income (MFI). The regulations also stipulate that AT LEAST 25% of the dollars go toward making housing opportunities available to families and individuals at or below 50% of MFI.

Alabama:

The State of Alabama received \$37 million of which \$9.3 million will need to be earmarked to serve individuals at or below 50% of MFI. This is an opportunity for nonprofit organizations to access properties to be used for low-income, special needs populations.

There are 3 grantees in the state – the city of Birmingham, Jefferson County, and the State. Grantees have 18 months to obligate these funds and four years to expend all funds.

Allocations:

<i>State</i>	<i>Grantee Name</i>	<i>NSP Grant Amount</i>	<i>Estimated 25% Set-Aside</i>
AL	ALABAMA STATE PROGRAM	\$37,033,031	\$9,258,258
AL	BIRMINGHAM	\$2,580,214	\$645,053
AL	JEFFERSON COUNTY	\$2,237,876	\$559,469
	Total Alabama	\$41,851,120	\$10,462,780

The Funding Process:

Each jurisdiction will modify its Consolidated and Action Plans to incorporate the NSP. Once these modified plans are available to the public, there will be a comment period so that individuals and organizations may propose any changes to the plan (please note this does not mean that the Community Development Departments have to change the plan). However, the comment period will be the only opportunity for people to voice their opinions about the plans.

There is a very quick turnaround for comments, as the plans must be submitted to HUD by December 1, 2008! Please see below for the contact information for Birmingham, Jefferson County, and the state of Alabama.

Points to Consider for Nonprofit Organizations:

- Housing resources could benefit all low-income and special needs housing providers (i.e. HOPWA or homeless providers);
- Funds can be available for nonprofits serving low-income special needs populations as 25% of the funding must serve households at or below 50% MFI, therefore ENCOURAGE GRANTEES (CITY OF BIRMINGHAM, JEFFERSON COUNTY, AND THE STATE) TO PARTNER WITH NONPROFIT ORGANIZATIONS LIKE YOURS THAT TARGET HARD-TO-SERVE HOUSEHOLDS;
- As a nonprofit agency that provides supportive services and is able to help low-income households stay permanently housed, REQUEST THAT NSP FUNDS AND/OR HOUSING FACILITIES BE MADE AVAILABLE TO NONPROFIT ORGANIZATIONS FOR RENTAL AND HOMEOWNERSHIP OPPORTUNITIES.

Recommendations for Grantees:

Please call or write the representative in your area to recommend the following:

1. Partner with and/or fund nonprofit organizations to create affordable housing opportunities for individuals living at or below 50% MFI to meet the 25% set-aside (these service providers can provide supportive services that will keep many individuals stably housed).
2. Increase the amount of funding serving individuals and families living at or below 50% of MFI (the legislation stipulates that at least 25% of the funding go to these individuals).

What You Can Do:

1. Get informed! Read the modified Consolidated and Action Plans (you will have to contact the appropriate jurisdiction for information on how to access these plans).
2. Find out if there is going to be a public hearing for the modified plans and make plans to attend.
3. Contact the person who is responsible for your jurisdiction (this may be more than one person) and send them a letter with your recommendations for the NSP (please see attached letter).
4. Provide any comments that you have for the plans *in writing* to the corresponding jurisdiction by the deadline.

Contact Information for Alabama:

ADECA

Shabbir Olia, CDBG Director
P.O. Box 5690
Montgomery, AL 36103-5690
Phone: (334) 242-5468
Email: Shabbir.Olia@adeca.alabama.gov

Jefferson County Office of Community Development

Dr. Frederick L. Hamilton, Director
Robert Newbill, Community Development Specialist (Email: Newbillr@jccal.org)
Suite A-430
716 Richard Arrington Jr., Blvd North
Birmingham, AL 35203
Phone: (205) 325-5761
Fax: (205) 325-5095

Birmingham Office of Community Planning and Development

Jim Fenstermaker, Director
Tom Tiffin, Grants Administrator (Email: thomas.tiffin@birminghamal.gov)
10th Floor, City Hall
710 North 20th Street
Birmingham, Alabama 35203
Phone: (205) 254-2309
Email: Jim.Fenstermaker@ci.birmingham.al.us

Further Information:

CSI will be posting information about the NSP on our website <http://www.collaborative-solutions.net> along with several resources about this program.

The HUD website will have the most up-to-date information about the NSP, so if you have further questions, please visit

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>
for more information.