

DCA's Neighborhood Stabilization Program (NSP) One Year Later 605 Successes Implemented and Beginning to Accelerate

As the reader knows, the national and state economy continues to face challenges that were precipitated by the residential mortgage crisis. That mortgage crisis continues to exacerbate our economic challenges and by extension our neighborhoods, governments and lending community.

While the challenges are great, there are successes to report here at DCA; notably, 605 foreclosed and abandoned residential units have been returned to stability as safe and affordable housing for low and moderate-income families.

Approximately one year ago, the Department made awards using \$77,085,125 under the Housing and Economic Recovery Act signed into law by President Bush on July 30, 2008. The funds which flowed to the state through the Department of Housing and Urban Development (HUD) were designed to stabilize communities that have suffered from residential foreclosures and abandonment. Eligible activities were the establishment of financing mechanisms for the purchase and redevelopment of foreclosed homes and returning those homes to the market as safe and affordable housing for low and moderate-income families.

In March 2009, following an expedited program design that built on DCA's already successful grant and loan management capabilities, the Community Development and Finance Division (CDFD) awarded funds through formula to 24 different sub-grantees comprised of local governments, regional entities (including an award to a Regional Commission), and the Georgia Housing Finance Authority (GHFA) who received the balance of funding to implement a



1 of 605 - Carrollton Celebrates a NSP Success

variation of their successful Georgia Dream down payment assistance program.

The NSP initiative's performance through the end of February 2010 is as follows:

- 1) Obligated \$19,216,106 or 25% of our grant funds with 16% of the obligated funds obligated being used to benefit households with incomes at or below 50% of Area Median Income (AMI). CDFD anticipates exceeding the 25% minimum expenditure on this group with the contractual obligation of several large Low Income Housing Tax Credit projects by July 1, 2010.
- 2) From the currently obligated funds, 605 foreclosed and vacant units have or will be returned to the local tax base as occupied units with fixed rate affordable mortgages.
- 3) At the current pace with no increase in resources, CDFD estimates that the total units assisted will exceed 2,400 units by program's end.

For details on the initiative's design, see www.dca.ga.gov/communities/CDBG/programs/nsp.asp.