

HUD Stimulus Programs

Office of Community Planning and Development

- Neighborhood Stabilization Programs (NSP 1 & 2)
- Homeless Prevention and Rapid Re-housing Program (HPRP)
- CDBG – Recovery (CDBG-R)
- Tax Credit Assistance Program (TCAP)

NSP-1 (Housing and Economic Recovery Act)

Distributed by formula to areas of greatest need based on the number and percent of foreclosures; subprime loans; and defaults and delinquencies. \$5 million minimum grant.

- Charlotte - \$5,431,777
- State of NC (DCA) \$52,303,004
 - 20 DCA subrecipients
 - Charlotte \$2,625,000
 - Charlotte PHA \$2,100,000
 - Gastonia \$2,100,000

NSP 1 purpose

Intended to deal with the negative effects of foreclosed and abandoned properties on neighborhoods

Carry out programs in the context of comprehensive plans to make neighborhoods more sustainable , competitive, and integrated into the overall metropolitan fabric.

NSP-1 National Objectives

All NSP activities must benefit families with incomes less than 120% of the local median.

At least 25% of NSP funds must be spent on abandoned or foreclosed residential properties that will be used to house families with incomes less than 50% of the local median.

NSP Eligible Activities

- (A) Establish financing mechanisms for foreclosed residential properties
- (B) Purchase and rehab abandoned or foreclosed residential properties. Foreclosed properties must be purchased at a 15% discount.
- (C) Establish land banks for foreclosed homes
- (D) Demolish blighted structures
- (E) Redevelop demolished or vacant properties

NSP-1 fun facts

All funds must be “used” in 18 months and expended in 4 years. The clock is running now.

Unprecedented reporting and transparency requirements

IG and GAO bait

NSP-2 (American Reinvestment and Recovery Act- ARRA)

NOFA emphasizes that NSP is CDBG and shares basic objectives:

- Decent housing
- Suitable living environment
- Economic development

Same set of eligible activities and income targeting as NSP-1

NSP-2 Competition

\$1,980,000,000 to be awarded through a nationwide competition

Minimum grant is \$5 million and must produce at least 100 units

Eligible applicants include states, UGLGs and non-profits. For-profits may submit as partners.

50% of funds must be spent in 2 years. All funds must be spent within 3 years.

NSP Thresholds

Must have completed NSP-eligible activities on at least 75 units within the past 24 months.

HUD will publish two sets of needs scores based on foreclosure data by census tract. Scores will range from 1 to 20, with 20 being the areas with the highest need.

Areas proposed for NSP funding must score at least 18 on a foreclosure needs index or on a foreclosure with vacancy risk index.

NSP-2 rating factors

- Needs
- Market condition and demand
- Experience with neighborhood stabilization activities
- Management structure
- Soundness of approach (activities, schedule, income targeting, affordability, consultations, monitoring)
- Leveraging
- Greenness
- Neighborhood transformation and economic opportunity

Homelessness Prevention and Rapid Re-housing Program (HPRP)

Provides financial assistance and support services to prevent people from becoming homeless and to assist those who are already homeless.

Distributed based on ESG formula. Minimum grant \$500,000.

Charlotte - \$1,930,217

State of NC - \$22,157,468

HPRP

Eligible Activities:

- Short and medium term rental assistance
- Utility and rent deposits
- Stabilization services
- Other appropriate activities

CANNOT be used for mortgage payments

HPRP

60% of HPRP funds must be used within 2 years.

100% of funds must be spent within 3 years

Extensive reporting requirements

CDBG-Recovery (CDBG-R)

All CDBG formula grantees receive CDBG – R.

- Charlotte - \$1,262,296
- Concord – \$103,998
- Gastonia - \$171,503
- Kannapolis - \$103,268
- Salisbury - \$82,747
- State of NC - \$12,080,614

Same as CDBG but should be used quickly on activities that create jobs and pass the smell test

No skateboard parks, please!

Tax Credit Assistance Program (TCAP)

Supplements LIHTC to make up for shortfalls in proceeds from tax credit placements.

NCHFA - \$52,152,687 - to be awarded competitively based on revised QAP.

www.hud.gov/recovery