



# *NSP Update*

**PHFA Housing Forum**  
**May 18, 2009**

## Neighborhood Stabilization Program (NSP) Allocations:

• Pennsylvania State (DCED)	\$59,631,318
• Allegheny (Ex: McKeesport/Penn Hills)	5,524,950
• Allentown	2,113,456
• Philadelphia	16,832,873
• Pittsburgh	2,002,958
• York County (Ex: York City)	<u>2,017,253</u>
• State Total:	\$88,122,807

### Status:

18 Month Clock to Use Funds

Resolving scoring issues & need General Assembly appropriation

Anticipate issuing contracts with potentially payment/spending  
conditioned if appropriation not approved

## NSP Eligible Uses/Activities

- Financing Mechanisms (Foreclosed Homes)
- Acquire, Rehab, Resale (Foreclosed Homes)
- Land Banks (Foreclosed Homes)
- Demolition (Blighted Properties)
- Redevelopment including new construction & housing counseling (Vacant or Demolished Properties)

## NSP Areas of Greatest Need

### Requirements:

Must Be Data-Driven Allocation Plan

Consider Subprime Lending, Foreclosure, Vacancy

- **Qualified Need Areas**

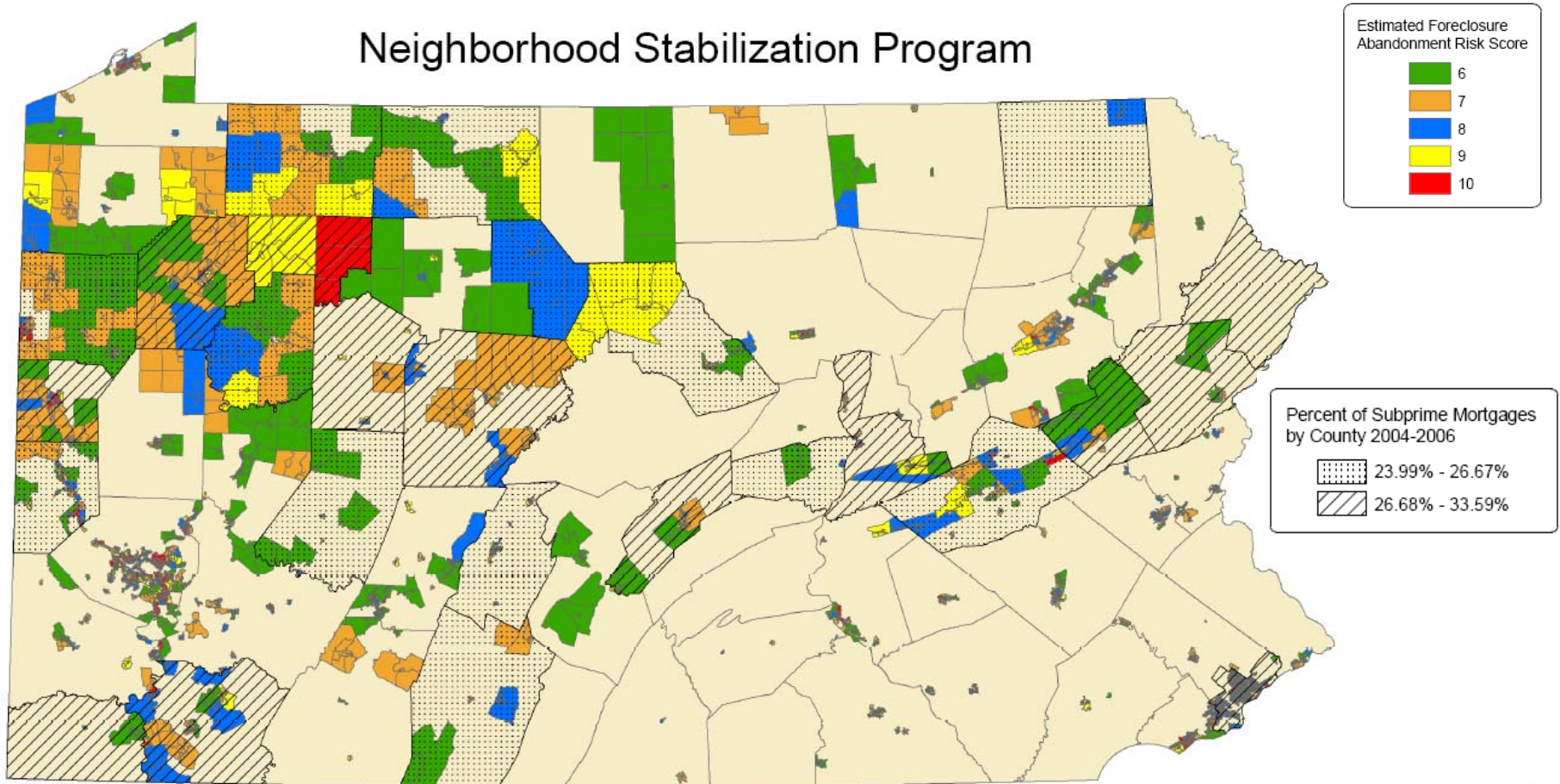
  - HUD Risk Score of 6 or Higher

  - Subprime Lending in 2004-2006 of 23.99% of mortgages issued

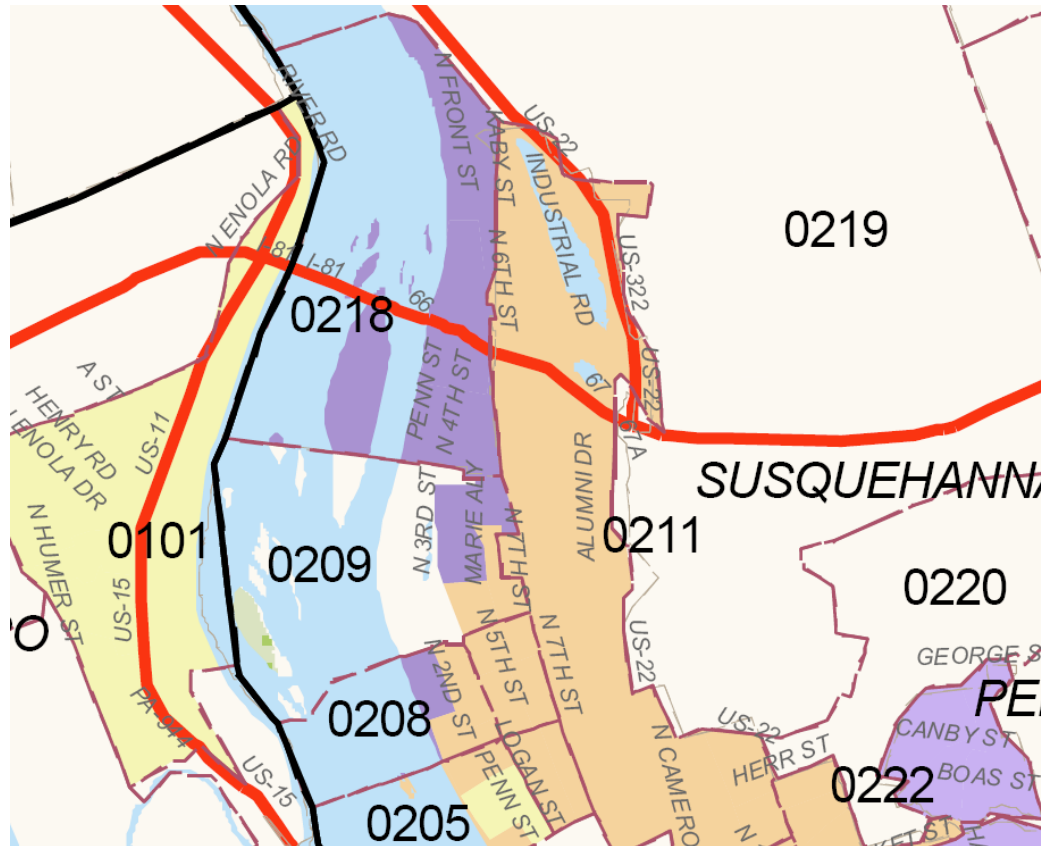
- **Priority Need Areas**

  - HUD Risk Score of 8 or Higher

## Neighborhood Stabilization Program



## Middle Markets and REO Data



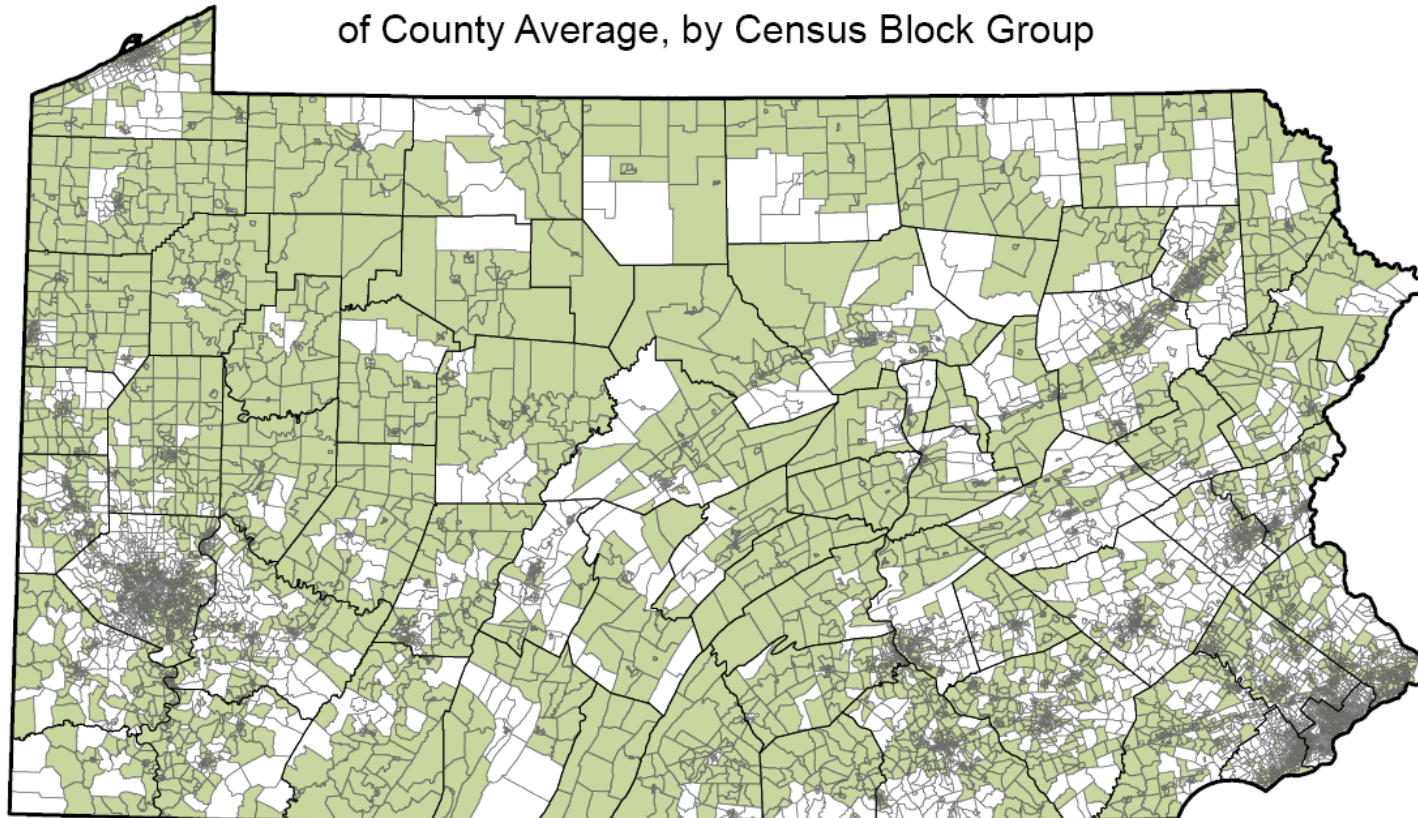
Source: TRF

<http://www.trfund.com/planning/NSPforPADCED.html>

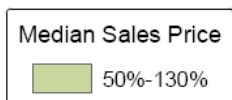
## NSP – Fallout or Lessons Learned

- Data-Driven Approaches Help Drive Decisions
  - Middle markets will continue to be important target areas for DCED funding, in other programs as well
  - Enhances the Targeting, Leverage, & Impact Priorities
- Rapid Distribution of Information → Need Responsive Answers
  - Need to make better use of website and other electronic/technology tools to share information
- Green Building Priority Will Perpetuate Other Programs
  - Desire for energy efficiency and “green collar” jobs will extend green building as a priority for other programs.

## Median Home Sales Price Between 50% and 130% of County Average, by Census Block Group



Source: TRF



## NSP 2 – Highlights & Changes

- Competitive Program: \$` 1.93 Billion (1/2 of NSP 1)
- Eligible Applicants: States, Local Gov'ts, Nonprofits
- Different Geographic Scoring Scale
- Demonstrate Threshold Capacity (75 Units Minimum)
- Minimum Application Size: \$5 million & 100 Units
- Six Scoring Factors – Data and Market Driven
- 3 Year Time Limit to Expend All Funds
- Restrictions on Demolition & Redevelopment
- Price Discount Changes: (1% individual; 5% average)

Notice & Data Mapping Tool: <http://www.hud.gov/nsp>