
Neighborhood Stabilization Program (NSP)

February 13, 2009

*The information included in this presentation is subject to change and interpretation by HUD. The regulations, policy guidance, and definitions of the NSP Program are still evolving and as such, MDHA reserves the right to change program parameters as required by HUD.

**Metropolitan Development and Housing Agency/ Bill Kubal, Usona
Development, LLC**

Today's Agenda

- Overview of NSP
- Forthcoming Request for Proposal
 - Funds Available: \$1,012,850
 - Expect to release sometime in March
- Questions and Answers

NSP Overview

- Federal funds to address abandonment and blight due to foreclosures
- 18 Month Timeframe for Obligations (September 2010)
- Eligibility Requirements
 - PERMANENT Housing (no emergency or transitional)
 - Location: Target Areas
 - Income: 50% of area median income
 - Property: Foreclosed or Abandoned

Financing Terms

- Most Likely Scenarios
 - Loans, Deferred or Forgivable
 - Grants
- Other terms possible
- Special Rules on Profit
 - Pro-rate share of any profit realized is returned to MDHA
 - Forms of profit
 - Sale or lease of property
 - Principal and interest payments made from NSP
 - Net operating income of rental properties

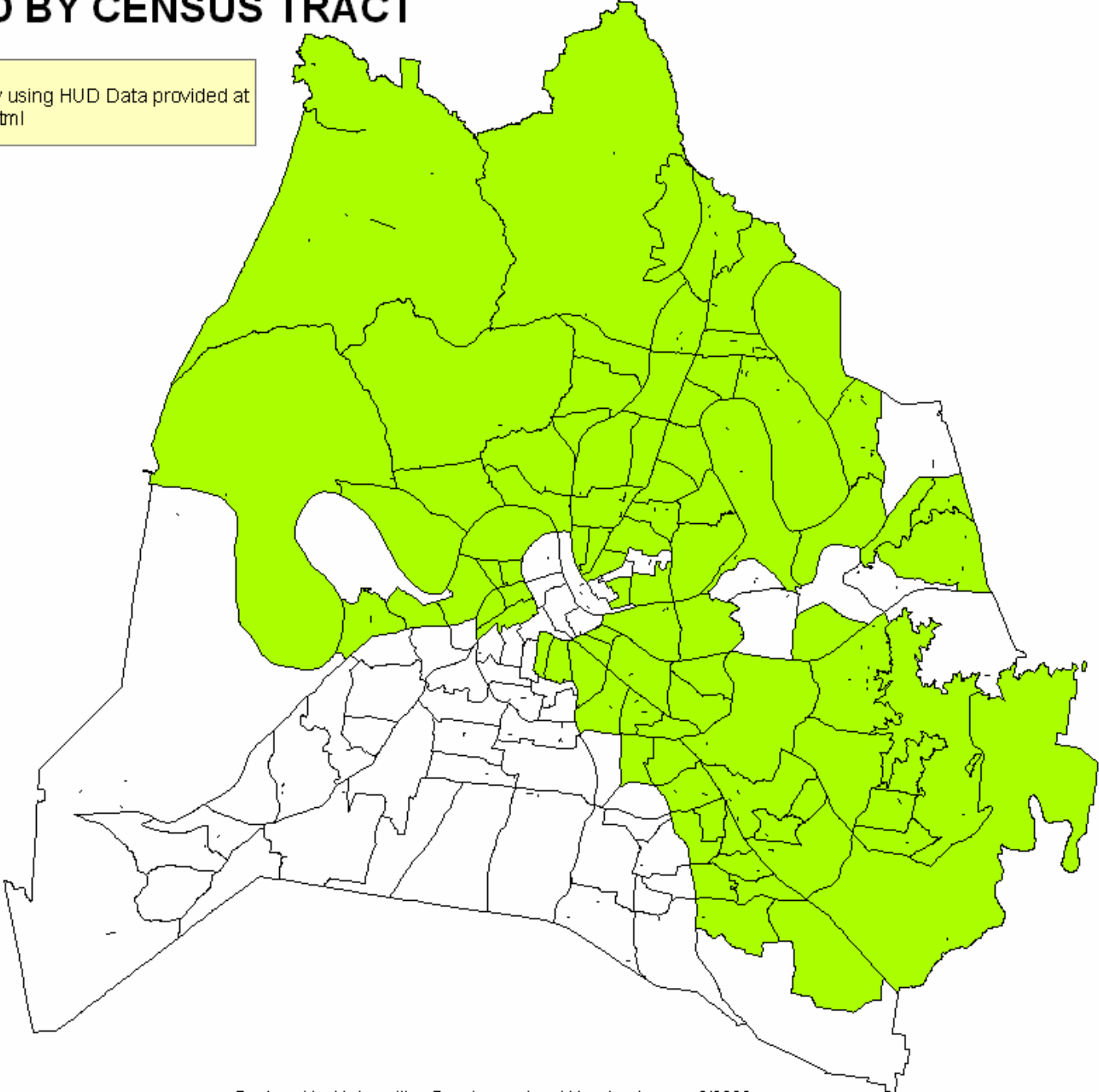
Eligible Expenses

- Acquisition
- Demolition (if blighted)
- Construction / Rehab
- Related Soft Costs
- Developer Fee

AREAS OF NEED BY CENSUS TRACT

Areas of Greatest Need determined by using HUD Data provided at <http://www.huduser.org/datasets/nsp.html>

Eligible
Target
Areas



0 2.5 5 Miles

Affordability Requirements

- MDHA has adopted standards from HOME Program
- Restrictions secured by Deed of Trust
- Period of Affordability determined by per unit subsidy:

Per Unit Subsidy	Affordability
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years
New Construction of Rental	20 Years

Affordability Requirements

NSP Low Income Limits – Davidson County, TN

Household Size	1	2	3	4	5	6
Income Limit	\$22,100	\$25,300	\$28,450	\$31,600	\$34,150	\$36,650

Eligible Properties

■ Foreclosed

- ❑ Transfer is complete
- ❑ Lender-owned (REO)

■ Abandoned

- ❑ Foreclosure proceedings initiated,
- ❑ No mortgage or tax payments for 90 days, **AND**
- ❑ Vacant for 90 days

Finding Properties

- MDHA does not maintain list of properties
- Legal Notices
 - Foreclosure Sales
- Websites
 - www.thedirectoriescompany.com/reos.htm
 - www.hud.gov/homes/index.cfm
 - RealtyTrac.com (subscription)
 - Foreclosure.com (subscription)



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Select a year and program

Census 2000

Enter a street address, city and state, or a street address and ZIP code. Click 'Go'

Street Address

[Quick tips](#)

1 Titans Way

City

Nashville

State

Tennessee

ZIP Code

37213

Go

Geographies containing **1 Titans Way , Nashville , Tennessee, 37213:**

Select a geography and click 'OK'

State: Tennessee

... County: Davidson County

... .. County Subdivision: Metropolitan Government CCD

... .. Census Tract: Census Tract 125

... .. Block Group: Block Group 1

... .. Block: Block 1035

... .. Voting District/Remainder: 06-1 East Park Comm. Center Voting District

... .. Traffic Analysis Zone: 18

[Explain Census Geography](#)

Map It

OK

Request for Proposals

- Project Description
 - Project Type (Acquisition-Rehabilitation, New Construction)
 - Tenure (owner, renter, mix)
 - Number of units by size
 - Targeted Clientele, if applicable (Seniors, Disabled, Families)
- Project Readiness
 - Site Selection
 - Secured Sources of Funding
 - Timeline
- Estimated Budget
 - Draft Proforma
- Capacity and Experience
 - Experience with HOME, CDBG
 - Other Current projects

Questions?

Follow-up questions can be addressed to:

nspcomments@nashville-mdha.org