

NEIGHBORHOOD STABILIZATION PROGRAM

In July 2008, President Bush signed the Housing and Economic Recovery Act of 2008 which included \$3.92 billion to be allocated to cities, counties and states hit hardest by the housing foreclosure crisis. In the legislation the U.S Department of Housing and Urban Development (HUD) was directed to design a funding allocation methodology and rules for using the funding. On October 1, 2008, HUD unveiled the jurisdictional allocation of the \$3.92 billion, program rules and a new program name: the Neighborhood Stabilization Program (NSP).

San Joaquin County and the Urban County jurisdictions of Escalon, Lathrop, Lodi, Manteca, Ripon and Tracy received \$9,030,385 of NSP funding as a result of HUD's allocation methodology which was weighted to benefit communities with the greatest exposure to sub prime loans and hit hardest by residential foreclosures. Internally, using foreclosure data collected since January 2007, NSP funding was allocated to Urban County jurisdictions.

Key provisions of the NSP are as follows:

The funding has to be obligated within 18 months from the date of the grant agreement with HUD.

25% of the funding has to be used to benefit households whose income does not exceed 50% of AMI.

Acquisition price of purchased properties must be below appraised value.

Eligible NSP activities:

Financing for purchase and redevelopment of foreclosed upon homes and residential properties.

Purchase and rehabilitation of homes and residential properties abandoned or foreclosed.

Establish a land bank for foreclosed properties.

Demolish blighted structures.

Redevelop demolished or vacant properties.

Detailed information relative to the jurisdictional allocation, designated geographic priority areas and proposed activities for the NSP is included in the Substantial Consolidated Plan Amendment document contained on this website.

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