

# THE NSP SUBSTANTIAL AMENDMENT

## INCLUDING RESPONSES TO PROGRAM CLARIFICATION

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### SUMMARY

The Housing and Economic Recovery Act (HERA) appropriated \$3.92 billion of emergency assistance for the redevelopment of abandoned and foreclosed homes and residential properties. Unless HERA states otherwise, the grants are considered Community Development Block Grant (CDBG) funds. The grant program under Title III of Division B is referred to as the Neighborhood Stabilization Program (NSP). HERA establishes the need, target areas and limits the eligible uses of NSP funds. The NSP allocation for Anoka County is \$2,377,310. The U.S. Department of Housing and Urban Development (HUD) is defining the application process for NSP funds as a substantial amendment to Anoka County's 2008 One Year Action Plan. This funding is a special one time allocation of CDBG funds.

Anoka County intends to use NSP funds to create permanent housing opportunities meeting NSP eligible activities and household income guidelines within the identified areas of "greatest need". Those areas have been determined by Federal Census Tract/Block groups and are outlined within the Anoka County NSP Action Plan. Anoka County will allocate \$594,330 to meet the needs of households at or below 50% of the area median income through homeownership activities working with local organizations and non-profits. The County will address foreclosed, vacant and abandoned properties in the following ways: set aside \$300,000 for second mortgage financing for households to purchase homes; \$400,000 for the acquisition of properties deemed blighted and in need of demolition; and, \$845,249 to acquire properties in need of rehabilitation and resale. All eligible households must be at or below 120% area median income and complete 8 hours of pre-purchase housing counseling. All properties acquired will be sold to an income-qualified household directly or in conjunction with local government or a non-profit organization to ensure long-term affordability and no-profit gain requirements. In addition, \$237,731 will be used for program administration of NSP funds throughout the next four years. Information regarding Anoka County's federal Neighborhood Stabilization Program is located at: [www.anokacounty.us/communitydevelopment](http://www.anokacounty.us/communitydevelopment)

### HISTORY