



Facts About...

The Neighborhood Stabilization Program (NSP) A Refugee Advocate's Guide to the Neighborhood Stabilization Program

The United States is in the midst of a continuing foreclosure crisis. Recent figures indicate that 1 of 10 existing mortgages is in default. Foreclosure filings jumped 225% from 2006 to 2008. Some researchers estimate that over the course of the crisis 3 million properties will be foreclosed upon. Foreclosures greatly impact most aspects of life in the United States. The goal of this fact sheet is to highlight how local organizations can create collaborative relationships and utilize the Neighborhood Stabilization Program to mitigate the impact the foreclosure crisis has on refugees and create safe and healthy communities that include refugees.

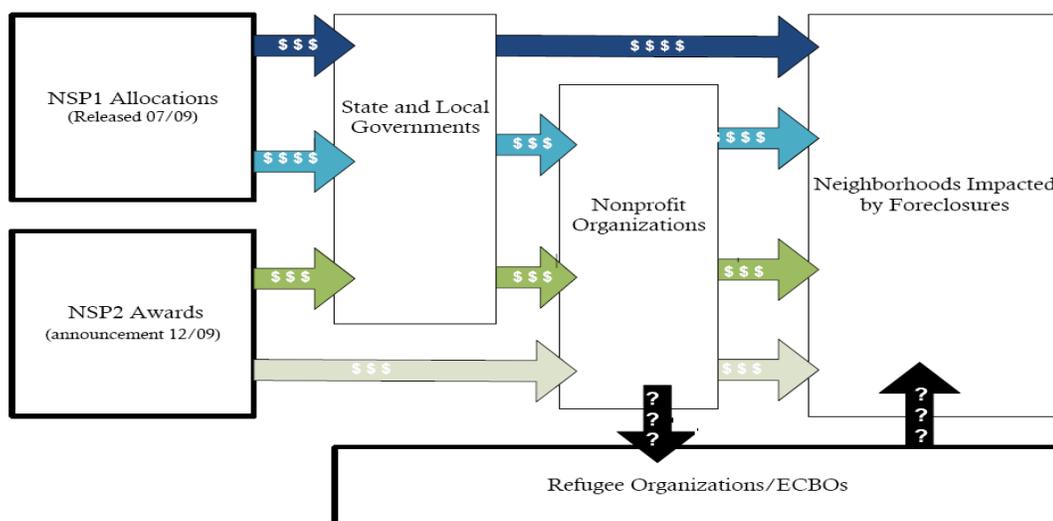
HOW do foreclosures impact people who aren't homeowners?

In addition to affecting homeowners in default, foreclosures often leave vacant, unmaintained properties that invite crime, decrease property values and lead to overall neighborhood deterioration. Neighborhoods of color and areas where low-to-middle income earners live have been particularly hard hit by this phenomenon. Also, foreclosures have had a significant impact on low income renters. When owners default, tenants are often evicted with little or no notice. These tenants then face the reality of higher rents—caused by fewer available rental properties and increased demand—plus unanticipated security—and utility deposit costs, and moving costs.

WHAT is the Neighborhood Stabilization Program (NSP)?

The Neighborhood Stabilization Program (NSP) is a federal initiative that makes available almost \$6 billion available in formula—and competitive grants to address the community impacts associated with high numbers of foreclosures. NSP supports state—and local governments and non-profit organizations to purchase abandoned or foreclosed homes. Grantees agree to rehab, redevelop or demolish the vacant properties they purchase. Properties can be resold to low- to moderate-income homebuyers, can be re-opened as affordable rental housing or—in some situations—can be kept as part of a land bank for similar use in the future. Additionally, NSP funds can be used to offer down payment and closing cost assistance to low- to moderate income homebuyers. All recipients of NSP-funded programs must earn no more than 120% of Area Median Income.

NSP Funding Stream and Opportunities for Involvement



Action Plan for Resettlement Agencies and ECBOs

- ▶ **Outline what the most pressing housing needs are for refugees in your area.** Do you need large rental units for families? Studios for single arrivals? Homes for sale? Develop a case for this kind of housing.
- ▶ **Using the included link, contact local community planning and development representatives to learn more about the target areas.** Identify existing refugee populations in these neighborhoods and explore options for future resettlement there.
- ▶ **Determine willingness of state—and local government recipients to subcontract with non-profit organizations.** Decide what services you can offer as a sub-recipient and suggest ways that projects can benefit refugees in the areas affected.
- ▶ **Establish partnerships with local agencies receiving funding,** being sure to make the case for the kinds of housing refugees in the area need.
- ▶ **Maintain ties to local housing initiatives** and programs receiving NSP funding. Close connections with those local service providers ensure ease of referrals of refugees to NSP programs as well as partner commitment to affordable housing and long term, sustainable solutions for neighborhoods.

HOW MUCH funding will my community receive through NSP?

It depends. NSP funds are divided into two categories: NSP1 and NSP2. NSP funding was allocated by formula to state– and local governments. To view your community's allocation of NSP1 funds, go to www.huduser.org/datasets/local_data.xls. NSP2 funds are granted on a competitive basis to state– and local governments as well as qualifying non-profit organizations. Distribution of NSP2 funding will occur no later than December 2009. Grantees have 18 months to obligate their awards and 4 years to expend their allocations. To find local points of contact who will be able to direct you to NSP2 grantees after funds are awarded, go to www.hud.gov/offices/cpd/about/staff/fodirectors/.

HOW can NSP funding help refugees?

- Refugees are likely to be living in areas where foreclosures are common. In addressing the dangers of vacant properties, NSP may help refugees be safer at home.
- Increased neighborhood safety and stability means increased opportunity for neighborhood-level community integration of newcomers.
- When redevelopment projects are complete, an increased number of rental properties will be available for refugee housing.
- Refugee resettlement agencies and ECBOs advising recipients of NSP funds can help ensure that the housing needs of refugee populations are kept in mind when redevelopment plans are being considered. For instance, in areas where many large families are resettled, refugee advocates can express the need to create 3– and 4-bedroom rentals to accommodate these families.
- Non-profits may purchase housing at a discount and manage it as rental property. They benefit from having stable refugee residents with supportive services. Refugees benefit from having better housing and a landlord with a social mission. Such organizations can provide affordable housing and integral supportive services to their residents, including refugees.

WHERE can I go if I have more questions?

► **As mentioned above**, local points of contact who will be able to direct you to NSP2 grantees after funds are awarded can be found at:
www.hud.gov/offices/cpd/about/staff/fodirectors/.

► **For FAQs regarding the NSP, you can visit:**
www.hud.gov/offices/cpd/communitydevelopment/programs/

► If you have questions about neighborhood stabilization or any other refugee housing issue, please get in touch with the Refugee Housing Program at refugeehouseinfo@mercyhousing.org, or call **Scott Robbins at 303-830-3449**.

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The views herein may not necessarily reflect the views of ORR.

To learn more about the program and to access more RHP materials, please visit www.refugeehouse.org.

Resources:

► For more information about neighborhood stabilization, partnership ideas, and foreclosure impact, see:
www.stablecommunities.org

For information on housing policy, partnership ideas, and the impact housing has on communities, see:
www.housingpolicy.org

► For information on a new organization dedicated to improving the capacity of housing organizations to address the housing crisis and effectively use the NSP, see:
www.stabilizationtrust.com/



Mercy Housing

Refugee Housing Program

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