

Neighborhood Stabilization Program Update



Presentation for
Business, Workforce &
Sustainability Committee

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The Office of Economic Development



Neighborhood Stabilization Program

- NSP goal – acquire and redevelop foreclosed properties to reduce blight, stabilize neighborhoods and stem the decline of values of neighboring homes
- Denver received \$9,680,346 in NSP1 funds
- Denver was competitively awarded \$18,994,444 in NSP 2 funds
- 25% of the funds must benefit households up to 50% of AMI, rest up to 120%
- Strict expenditure deadlines - funds must be fully spent by 2013



NSP Expenditure Status

NSP 1 -

- 88% of NSP 1 funds spent to date
- 100% of NSP 1 funds obligated by Sept. 2010 HUD deadline

NSP 2 -

- 60% of NSP 2 funds under contract
- 16% committed to projects



NSP 1 & 2 Accomplishments **to Date**

- 322 total housing units purchased and rehabbed or underway
- 58 single family homes purchased
- 20 homes resold to income-qualified buyers
- 5 multi-family properties being redeveloped



NSP 1 & 2 Accomplishments to Date

- 71% of the housing created is for households up to 50% AMI
- 57% is new construction
- 54 Habitat for Humanity homes
- Estimated 95 construction jobs created
- Consistently rated one of highest-performing grantees by HUD



Multi-family NSP Projects

- **5000-5050 W. Colfax/W. Colfax - 101 units**
 - NSP 2 \$3,900,000/total project cost \$18.7 million
- **3301-3395 Dahlia/Northeast Park Hill - 36 units**
 - \$767,375 NSP 1, total project cost \$1,927,500
- **4410-4412 Morrison Rd./Westwood - 19 units**
 - \$1,287,261 NSP and total project cost
- **15136 Andrews Dr./Montbello - 45 units**
 - \$1,391,300 NSP 2, total project cost \$8 million
- **4097 E. 40th Ave/Northeast Park Hill - 63 units**
 - \$1,370,796 NSP 2/\$13.5 million project

Foreclosure Trends

- State of Colorado 2010 Foreclosure Report:
 - Denver county foreclosure filings fell 17.7% from 2009 to 2010
 - Denver county foreclosure sales decreased 7.3% from 2009 to 2010
 - State of Colorado foreclosure filings fell 8% 2009 to 2010
 - State of Colorado foreclosure sales rose 17% from 2009 to 2010



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Denver's \$25 Million Mortgage Credit Certificate Program (MCC)

- Reduces federal income tax for participating homeowners
- 90 MCCs issued to date
- Total \$ Amount Utilized = \$15,608,704

- Average Loan Amount = \$173,430
- Average Purchase Price = \$184,799
- Average Borrower Income = \$55,742



Neighborhood Stabilization Program - Still to Come

- Accepting applications and reviewing projects for remaining \$4.1 million in NSP 2 funds
- Continuing to purchase, rehab and resell homes
- Denver awarded \$2,700,279 in NSP 3 funds by HUD
- NSP 3 plan posted for public comment; due to HUD 3/1
- Target NSP 3 neighborhoods are:
 - Globeville, West Colfax
 - Elyria Swansea, Villa Park

NSP 3 Target Neighborhoods

