



City of Phoenix



Neighborhood Stabilization Program

## City of Phoenix Neighborhood Stabilization Program (NSP) FACT SHEET

Neighborhood Stabilization Program (NSP) funds are helping communities hit the hardest with foreclosures to put foreclosed and abandoned properties back into productive use.

In 2009, the city of Phoenix received \$39.4 million in HUD Neighborhood Stabilization Program (NSP1) grant funds from the Housing and Economic Recovery Act of 2008 (HERA) and in February, 2010, received \$60 million in additional Neighborhood Stabilization Program (NSP2) funds under the American Recovery and Reinvestment Act (ARRA). Funding from these two grants is expected to address at least 1,500 single- and multi-family properties in Phoenix. In 2010 the city was awarded an additional \$16 million in NSP3 funding through the Dodd-Frank Act.

- NSP funds are being used to:
  - Encourage owner occupants to purchase vacant and abandoned properties in need of repair within Phoenix neighborhoods through incentives and down payment assistance.
  - Prepare homebuyers for successful, long-term homeownership through housing counseling.
  - Purchase and rehabilitate foreclosed multi-family complexes to provide affordable housing for households at or below 50 percent of the area median income.
  - Purchase blighted foreclosed/abandoned properties to demolish and redevelop in targeted areas.
- Outcomes to date include:
  - 288 homebuyers have purchased foreclosed houses to use as their primary residence, using NSP homeownership purchase assistance loans.
  - 248 foreclosed homes have been purchased by NSP developer partners for rehab and resale to program eligible buyers. 90 homes have closed, 36 under contract.
  - 8 multi-family properties have been purchased to rehabilitated and provide 1107 affordable rental units for households at or below 50 percent of the area median income.
  - 29 blighted properties – including the blighted, 52-unit multi-family Sunset Manor complex – have been purchased for demolition and redevelopment to revitalize and stabilize target neighborhoods.
- NSP homebuyer programs available:

Interested homebuyers who meet program eligibility requirements receive a \$15,000 zero-interest, no monthly payment loan to use toward the purchase of a foreclosed home. Options for homebuyers are:

  1. Homeownership Assistance Program  
Buyers purchase any foreclosed home within the city of Phoenix; receive credit counseling and homebuyer education plus \$15,000 in closing cost and down payment assistance.
  2. Move-in Ready (MIR) Program  
Newly renovated foreclosed homes for sale by NSP developer partners; improvements bring house up to housing quality standards, feature energy-efficient systems, improved design finishes and enhanced curb appeal. Buyer will also receive \$15,000 in closing cost and down payment assistance.