

PUBLIC HEARING

A Public Hearing was conducted by the Human Affairs Committee on Wednesday, April 8, 2009 at 7:00 p.m. in the Aldermanic Chamber.

Vice Chairman Richard LaRose presided.

Members of the Committee present: Alderman Marc W. Plamondon
 Alderman Richard P. Flynn
 Alderman David MacLaughlin

Members not in Attendance: Alderman-at-Large Lori Wilshire, Chairman

Also in Attendance: Mayor Donnalee Lozeau
 Alderman-at-Large David W. Deane
 Alderman-at-Large Ben Clemons
 Alderman-at-Large Fred S. Teeboom
 Katherine E. Hersh, Div. Dir., Community Devel. Div.

R-09-177

**AUTHORIZING THE MAYOR TO APPLY FOR, ACCEPT AND APPROPRIATE
UP TO \$5,900,000 FROM THE NEW HAMPSHIRE COMMUNITY DEVELOPMENT
FINANCE AUTHORITY UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM**

Pursuant to NRO 5-28, Community Development Director Katherine E. Hersh gave a presentation on the neighborhood stabilization program (copy of handout attached).

TESTIMONY IN FAVOR

Barbara Pressly, 11 Orchard Avenue

TESTIMONY IN OPPOSITION

David Gleneck, 34 Tampa Street

TESTIMONY IN FAVOR – None

TESTIMONY IN OPPOSITION – None

The Public Hearing was declared closed at 7:20 p.m.

Alderman Richard P. Flynn
Committee Clerk

City of Nashua
Public Hearing
April 8, 2009

Neighborhood Stabilization Program

The Aldermanic Human Affairs Committee will conduct a Public Hearing on April 8, at 7:00 PM, in the Aldermanic Chamber, second floor, City Hall, 229 Main Street, Nashua, NH, to hear public comment on HUD's Neighborhood Stabilization Program and the City's application for funding.

The proposal to be heard includes:

A proposed Neighborhood Stabilization Program grant for \$5.9M in NSP funds. The funds will be used for the purpose of purchasing and rehabilitating foreclosed and/or abandoned properties in the inner city neighborhoods of Nashua.

Authorized under:

Title III of the Housing and Economic Recovery Act of 2008 (HERA)

HUD's Neighborhood Stabilization Program (NSP) provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities.

NSP funds are a special appropriation of Community Development Block Grant (CDBG) fund and are targeted to households with incomes at or below 120% of the area median income (AMI), with a portion of the funds targeted to households with incomes at or below 50% AMI.

As the grantee for the state of New Hampshire, the New Hampshire Community Development Finance Authority (CDFA) will receive \$19.6 Million from the total \$3.92 Billion appropriation.

The NSP Action Plan describes how CDFA will administer the state's NSP allocation. From the date that HUD approves CDFA's NSP Action Plan, CDFA has 18 months to obligate the funds and four years for awardees to expend their initial allocations.

Eligible Uses of New Hampshire NSP Funds

| NSP Eligible Use | CDBG Activity | Samples of Eligible End Use |
|---|--|--|
| (A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers | As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out. | Create mortgage or related financing products for Low, Moderate and Middle Income (LMMI) home buyers |
| (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties | <ul style="list-style-type: none"> • 24 CFR 570.201 (a) Acquisition (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); • 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity). | <p>Rental (Single Family and Multi-Family); includes Service-Enriched for 50% Area Median Income (AMI) or Less</p> <p>Home Ownership (Single Family and Multi-Family); includes Service-Enriched for 50% AMI or Less</p> |
| (C) Establish land banks for homes that have been foreclosed upon | <i>Not an eligible use in the New Hampshire plan</i> | <i>Not an eligible use in the New Hampshire plan</i> |
| (D) Demolish blighted structures | • 24 CFR 570.201(d) Clearance for blighted structures only. | Site clearance for future housing or redevelopment use. <i>If property is to be redeveloped under Use E, must be fully redeveloped within 4 years of HUD allocation to NH unless applicant is a land bank.</i> |
| (E) Redevelop demolished or vacant properties | <ul style="list-style-type: none"> • 24 CFR 570.201 (a) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties, (i) Relocation, and (n) Direct homeownership assistance (as modified below). • 204 Community based development organizations. | <p>Rental (Single Family and Multi-Family); includes Service-Enriched for 50% AMI or Less</p> <p>Home Ownership (Single Family and Multi-Family); includes Service-Enriched for 50% AMI or Less</p> <p>Public Facilities</p> |
| Administration | CDFA and Grantees | Administrative Costs |