



Neighborhood Stabilization Program

Administered by
Wyoming Community
Development Authority



Neighborhood Stabilization Program

- Housing and Economic Recovery Act of 2008
- \$3.92 Billion
- \$19.6 Million for the State of Wyoming
- CDBG-like Program Funds
- To address the problem of abandoned and foreclosed properties
- Commitment / Expenditure deadlines



NSP Specific Requirements

- Must meet national objective of benefiting low and moderate income persons
- NSP redefines eligible incomes as:
 - Low, 50% or less AMI
 - Moderate, 51% to 80% AMI
 - Middle, 81% to 120% AMI
- At least 25% of the total allocation must benefit households at or below 50% of Area Median Income (\$4.9 million)
- 25% must be met with foreclosed properties



NSP Specific Requirements

- Acquisition at a discounted rate
 - The discount is now at least 1%
- Current Market Appraised Value
 - Appraisal must be current (within 60 days)
 - Requirement is waived for properties valued at \$25,000 or less
- State is allowed to carryout activities
- WCDA foreclosed properties are not eligible for NSP funding



CDBG Requirements

- Affirmatively furthering fair housing
- Anti-lobbying
- Uniform Relocation Assistance and Real Property Acquisition Policies of 1970
- No eminent domain
- Compliance with lead-based paint procedures
- Environmental review



Definitions

- Abandoned – property is considered abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days



Definitions

- Blighted Structure – when a structure exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare

The definition of “blighted structure” for the State of Wyoming was derived from the statutory definition of blighted area in W.S. 15-9-103.



Definitions

- Foreclosure – a property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete



Eligible Counties

- Campbell
- Fremont
- Laramie
- Natrona
- Sweetwater
- Uinta



Wyoming Acquisition and Rehabilitation Program

- Acquisition and rehabilitation of foreclosed properties by WCDA
- Homes will be sold to income eligible borrowers selected through a public drawing
- Target households at or below 50% of AMI



Wyoming Acquisition and Rehabilitation Program

- Interest Rate (30 year term)
 - 1% for persons at or below 50% of AMI
 - 3% for persons at 51% to 80% of AMI
 - 5% for persons at 81% to 120% of AMI
- Homeowner must contribute a minimum 25% of their gross income
- Maximum debt to income ratio 43%
- Total assets cannot exceed \$50,000
- Mortgage will have an amortized portion and a deferred portion



Wyoming Acquisition and Rehabilitation Program

- First Time Homebuyer
- Must be owner occupied for the term of the mortgage
- Must be a U.S. citizen and Wyoming resident
- \$200,000 NSP Limit
- Property will meet property standards (substantially rehabilitated)
- Occupancy standards



Wyoming Acquisition and Rehabilitation Program

- Borrower must meet FHA credit standards, minimum 575 FICO score
- Homebuyer education required
- Applicants will be able to select homes they are interested in prior to the drawing



NSP Rental Opportunities Program

- Non-profits, for-profits and Housing Authorities eligible to apply
- Purchase and rehabilitate vacant, **foreclosed** residential properties
- Single family or multi-family properties
- HOME Program regulations are safe harbor



NSP Rental Opportunities Program

- Must benefit households at or below 50% of Area Median Income
- Acquisition at a discounted rate (1%)
- Current Market Appraised Value
- Maximum NSP funding \$200,000/unit
- 30 year affordability period
- Amortized and/or deferred loan
- Up to 6% interest rate



NSP Rental Opportunities Program

- Environmental Review
- Lead Based Paint
- Asbestos, Mold, Radon Gas
- Uniform Relocation Act
- Must meet property standards
- Annual compliance
- Occupied properties may be considered if you can prove ability to meet URA



Foreclosure Financing Option

- Mortgage buydown or discount point for purchase of single family **foreclosed** property
- Manufactured homes are not permitted
- 100% loan to value financing for homebuyer



Foreclosure Financing Option

- Up to \$50,000 of NSP assistance
- 30 Year Term
- \$237,000 Purchase Price Limit
- Property must meet FHA standards
- Cannot presently own a home
- Must be owner occupied for the term of the mortgage



Foreclosure Financing Option

- Borrower must meet FHA credit standards
- Homebuyer education is required
- Environmental Review
 - Not in flood plain
 - Not in airport clear zone
- Lead-Based Paint Visual Inspection




Land Banking Program


- **Foreclosed** properties may be acquired using NSP funds for the purpose of land banking
- Land banking will allow non-profits and public housing authorities to acquire and hold property until a housing plan and a full financing package can be put in place
- Acquisition at a discounted rate (1%)





Demolition for Housing Program

- Funding for the clearance of a blighted structure, redevelop demolished or vacant properties
- Funding for the clearance of the site and construction of new housing dwelling

 Redevelopment
<ul style="list-style-type: none">■ Develop vacant, previously developed property (land or buildings)■ Redevelop vacant property■ Demolition can be eligible if the property is blighted■ Acquisition is eligible but must be a foreclosed property, discounted price

 Redevelopment
<ul style="list-style-type: none">■ Rental■ Homeownership■ Single Family■ Multi-Family

 NSP Funding Breakdown (Current)
<ul style="list-style-type: none">■ WARP – \$8,750,000■ ReOpp – \$3,000,000■ FFO - \$3,875,000■ Land Banking - \$1,000,000■ Demolition for Housing - \$1,015,000■ Administrative Fees - \$1,960,000



NSP Funding Breakdown (Estimate)

- WARP – \$8,750,000
- ReOpp – \$5,000,000
- FFO - \$1,250,000
- Redevelopment – \$2,640,000
- Land Banking - ?
- Demolition for Housing Program - ?
- Administrative Fees - \$1,960,000



Administrative Fees

- NSP Specific Training
- Marketing
- Publication Costs
- Equipment
- Wages
- Inspection / Environmental Review



Questions/Comments

Formal comment period is anticipated to be September 1 through September 15

Watch the WCDA website for updates

WCDA NSP Information

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