

## **Neighborhood Stabilization Program (NSP) - Federal Requirements**

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1. Continued Affordability (Housing and Economic Recovery Act §2301(f)(3)(B)) To meet the statute, beneficiaries must not pay more than 30% of household income toward housing expenses and housing activities must meet Wayne County's HOME Program affordability requirements including affordability periods and rent rates (when applicable).
2. Acquisition (Housing and Economic Recovery Act §2301(d)(1)) requires any purchase of a foreclosed-upon home or residential property under NSP be at a discount from the current market-appraised value of the home or property.
  - For all acquisitions funded by Wayne County NSP, the minimum average acquisition discount must be at least 15% and therefore proposals are encouraged to more than meet this requirement.
  - Part II, Section A of the Federal Notice requires the market value be established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer.
3. Rehabilitation (Housing and Economic Recovery Act §2301(d)(2)) Any rehabilitation of a foreclosed upon home or residential property shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. Rehabilitation may include improvements to increase the energy efficiency or conservation of such homes and properties or provide a renewable energy source or sources for such homes and properties.
4. Sale (Housing and Economic Recovery Act §2301(d)(3)) If an abandoned or foreclosed upon home or residential property is purchased, redeveloped, or otherwise sold to an individual as a primary residence, then such sale shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe, and habitable condition.
5. Reinvestment of Profits (Housing and Economic Recovery Act §2301(d)(4)(A)) any revenue generated from the sale, rental, redevelopment, rehabilitation, or any other eligible use that is in excess of the cost to acquire and redevelop (including reasonable development fees) or rehabilitate an abandoned or foreclosed upon home or residential property shall be returned to Wayne County for reinvestment.
6. Priority For Areas Of Greatest Need (Housing and Economic Recovery Act §2301(c)(2)) All NSP grantees are required to give priority emphasis to areas of greatest need. To comply, Wayne County will prioritize responsible proposals benefiting areas of greatest need but not to the exclusion of other areas in the County's NSP service area. Based on foreclosure, income, and vacancy statistics the areas of greatest need include: Ecorse, Inkster, Hamtramck, Harper Woods, Highland Park, Melvindale, River Rouge, Romulus, Sumpter Township, and Wayne.