



# Sussex County's Neighborhood Stabilization Program:

Affordable Homes,  
Strengthening Communities





# NSP: The Beginning

- NSP was created as a part of the Housing and Economic Recovery Act (HERA) – July 30, 2008
- The State of Delaware received an allocation of \$19.6 million in NSP funding
- The State used a Request for Proposal process to determine the greatest areas of need based on foreclosure filing data and records of subprime lending throughout the state
- Based on need, Sussex County received \$2 million in funding



# NSP: The Beginning

- Sussex County determined 5 targeted areas that were most affected by the foreclosure crisis.
  - 19956: Laurel
  - 19973: Seaford
  - 19947: Georgetown
  - 19963: Milford
  - 19950: Greenwood
- Due to the scattered nature of available foreclosed properties within the 5 zip codes, the County determined that using Financing Mechanisms as its primary Eligible Activity.



# NSP: The Beginning

- The County chose to partner with 3 non-profits to assist with the program:
  - Sussex County Habitat for Humanity
  - Milford Housing Development Corporation
  - Diamond State Community Land Trust
- The County worked hard at the fore-front to outreach to lenders, Realtors, appraisers, and home inspectors.
  - Program approval
  - Networking

# NSP: In Motion

- The County provides 100% financing to our non-profit partners to acquire, rehab, and re-sell foreclosed homes to income-qualified households.
- Sussex County Habitat for Humanity Status:
  - Habitat has purchased 3 NSP homes.
  - A 4<sup>th</sup> home is under contract and should settle in the next 2 weeks.
  - 1 of the initial 3 homes has been rehabilitated and resold to a Habitat homeowner.
  - All Habitat NSP homes will be sold to households at or below 50% AMI for Sussex County.

# Habitat's NSP Homes



603 W. 6<sup>th</sup>  
Street, Laurel



123 W. Adams Street,  
Georgetown



10 Lantern Lane,  
Georgetown



15 Columbia Street,  
Milford

# NSP: In Motion

- Milford Housing Development Corp. Status:
  - MHDC has purchased 2 NSP homes
  - Both homes have been matched with families, one of which will settle before 6/30



5 Mae Street,  
Georgetown



12870 Shawnee Road,  
Greenwood

# NSP: In Motion

- Diamond State Community Land Trust Status:
  - DSCLT has purchased 1 NSP home



304 Elm Street, Seaford

# NSP: In Motion

- Sussex County's Homebuyer Assistance Program
  - Consumer Driven Model
  - The County provides soft-second mortgages based on 3 levels of income

**Eligible Household Income & Corresponding Mortgage Assistance**

Mortgage Assistance	Area Median Income	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person
\$50,000	50% AMI	\$20,450	\$23,400	\$26,300	\$29,200	\$31,550	\$33,900
\$40,000	80% AMI	\$32,700	\$37,400	\$42,050	\$46,700	\$50,450	\$54,200
\$30,000	120% AMI	\$49,080	\$56,160	\$63,120	\$70,080	\$75,720	\$81,360



# NSP: In Motion

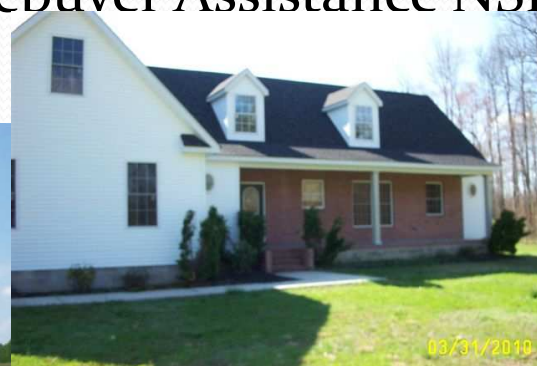
- Sussex County's Homebuyer Assistance Program
  - Terms & Conditions
    - Homebuyer must maintain the home as their primary residence
    - Homebuyer must complete at least 8 hours of homeownership counseling with a HUD-approved agency
    - Home must meet NSP definition of foreclosed
    - Funding may be used for down-payment assistance, closing costs, principal reduction, and reasonable repairs
    - Mortgage assistance will be secured as a soft second mortgage repayable only at the time of sale or transfer of property, or refinance and will not be subordinated
    - If property is sold to a new homebuyer that qualifies under these regulations, the second mortgage may be transferred to the new owner; providing an affordable purchase price for the new owner

# NSP: In Motion

- Sussex County's Homebuyer Assistance Status:
  - 16 households have purchased homes through the program
    - Average home price: \$148,382
    - Average discount: 10%
  - 6 additional homebuyers are under contract
- NSP Obligation Requirements
  - Of the \$550,000 set-aside for households at or below 50% AMI, the County has obligated a total of \$615,000
  - Of the \$2 million total NSP allocation, the County has obligated 99%

# NSP: In Motion

A few examples of the County's Homebuyer Assistance NSP Homes...





# NSP: The Future

- NSP 1 funds will slowly be returning to the County upon the sale or transfer of homes. We plan to continue to re-use the funds through our partners and consumer-driven model
- The County was recently informed that it would be receiving approximately \$900,000 in NSP2 funds
  - NSP 2 shifts from zip codes to census tracts
  - The 3 eligible census tracts in the County are 509, 511, & 512
    - All 3 are on the east side and lie on the coast
    - The County will be pursuing a request to add more inland census tracts to allow us to have more of an impact on the east side



# Thank You!

# Questions?

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