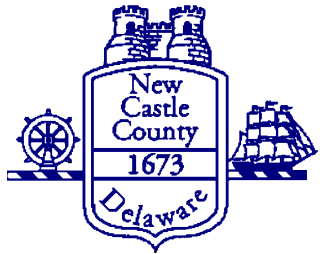


New Castle County Neighborhood Stabilization Program



Vision

- *The New Castle County Neighborhood Stabilization Program (NCC-NSP) will stabilize targeted communities putting these once vibrant neighborhoods on the path to recovery.*

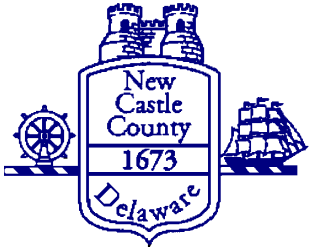


New Castle County Housing Authority



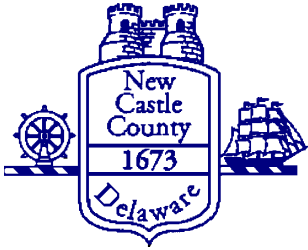
NSP Implementation

- Initial Acquisition and Disposition of Approximately 31 foreclosed homes
 - Homes required to be purchased at a discount of 1% below the appraised value
 - 25% of funds must be expended towards those living below 50% AMI
 - Priority zip code was 19720 (NCC was authorized to purchase in 19720, 19701, 19702, 19805, 19709 and 19802)
 - NCC as Land Bank



NSP Implementation

- Implementation Began July 2009
 - All Funds obligated Within 18 Months (September 2010)
 - All Funds Expended Within Four Years
 - Administered by the Delaware State Housing Authority
- Award
 - \$7.0 Million



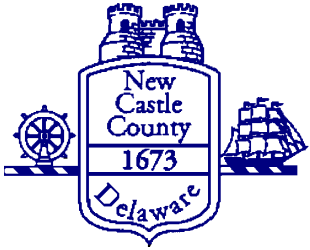
NSP Initial Acquisition Challenges

- In December 2008, 40 homes were identified in 19720, by July 2009 only 1 was available
- Original plan to purchase in bulk from banks
 - Delaware REO's scattered between many banks.
 - Difficult to determine what Bank(s) own the home
- NCC not experts in real estate negotiations
- Hard to compete against investors
- Tough real estate market (houses under \$100,000 very competitive)
- Strict timeline required rapid purchasing
- Land Bank – very challenging and costly



NSP Acquisition

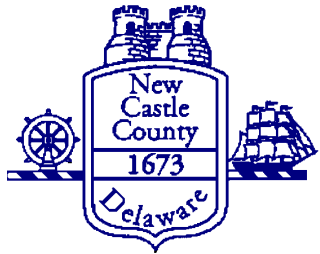
- **NCC New Approach to Acquisition**
 - Created an Acquisition Team of specialists including an NSP real estate agent and a real estate attorney.
 - NSP Agent has direct negotiation with bank's agent for sale of property
 - 100% of commissions paid by Bank owners
 - NSP Agent helped find REO's in target neighborhoods
 - Allowed for NCC to become competitive against investors and lead to quick purchasing of homes.
 - NSP Agent identified other eligible communities outside of 19720 with major foreclosure problems
 - Worked with bank partners with established NSP programs (National Community Stabilization Trust, Fannie Mae, Chase, Bank of America)



NSP Statistics

- 30 Homes Purchased
- Home locations by Zip Codes
 - 19720: 16 homes
 - 19805: 7 homes
 - 19709: 5 homes
 - 19701: 1 home
 - 19702: 1 home





NSP Disposition

- Resale to Non-profit Partners for:
 - Sale of Market Ready Units
 - Rehabilitation and Resale of Units with Rehabilitation needs
 - Special Needs Rental
 - **An additional \$304,807 of NCC CDGB-R funds are available for rehabilitation of these units.**

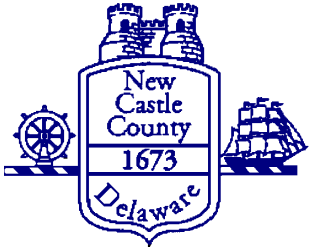


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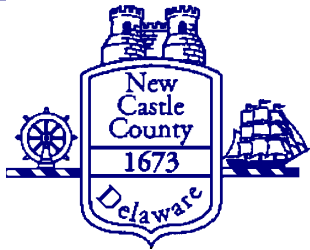
NSP Partners

- **Non Profit Partners**
 - The ARC of Delaware
 - Connections CSP, Inc.
 - Cornerstone West
 - Diamond State Community Land Trust
 - Fisher Transitional Services
 - Habitat for Humanity of NCC
 - Housing Helpers
 - Interfaith Community Housing of Delaware
 - Our Youth Inc.
 - Rose Hill Community Center
 - UCP of Delaware



NSP Rehabilitation

- Initial challenge for rehab: How can we sell these homes in a depressed housing market?
- New Approach:
 - Changed rehab model from County's Rehab Loan Program to create an "NSP Signature" home
 - "Like New" move in condition
 - Low maintenance
 - Energy efficiency and manageable utility costs
 - Helps NCC compete against other sales by being the nicest on the block



NSP Successes

- Obligated/expended over 80% of funds (expended over 60%)
- Focused on neighborhood stabilization
 - 10 properties purchased within 3 mile radius of the Rte. 9/ Rte.13 corridor in 19720 (area of significant county investment)
 - 5 properties in one neighborhood (3 on the same block)
 - 28 of 30 homes are in neighborhoods with more than 1 NSP property



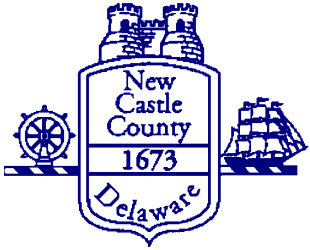
NSP Successes

- Shared info and best practices with DSHA and other sub-recipients
- 100% of properties purchased at 1% or more discount (average discount = 4.6%)
- Identified 98% of 50% or below AMI properties
- 4 homes under contract to eligible buyers (all 50% or below AMI)



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NSP Future Challenges

- Clock is ticking...
- Selling NSP houses
 - Timing with Federal tax credit (considering NSP grant at settlement)
 - Adapting to have Non-profit partners as owner directly (eliminate NCC as land bank)
 - NSP2 Implementation (additional 43 homes)



Thank you to HUD, the Delaware State Housing Authority and our NSP Partners.

