

For Immediate Release

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“NEW” NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

POMONA, CA - (October 31, 2008) On July 30th, 2008, the President signed into Law, the Housing and Economic Recovery Act of 2008 (HERA). This legislation includes \$4 billion in grant funds for state and local governments to address foreclosure issues. The legislation required the U.S. Department of Housing and Urban Development (HUD) to establish a formula for distributing funds within 60 days of enactment. Funds were then to be distributed to state and local governments within 30 days after establishing the formula.

On September 26, 2008, the City of Pomona was informed that we had been allocated \$3,530,825 in funding through HUD’s Neighborhood Stabilization Program (NSP). The NSP is authorized under Title III of the Housing and Economic Recovery Act of 2008. NSP funds are to be treated as Emergency Community Developed Block Grant (CDBG) entitlement funds. To use CDBG funds, a project must be both eligible under the regulations and meet a National Objective.

The primary objective of the **CDBG Program** is the development of viable communities, decent housing and expanding economic opportunities for persons of low-to-moderate income.

The primary objective of the new **Neighborhood Stabilization Program (NSP)**, which will utilize CDBG funds, is to assist in the redevelopment of abandoned and foreclosed properties. The City proposes to undertake the following eligible activities to assist eligible low, moderate and middle-income households.

In accordance with NSP guidelines as governed by the Housing and Economic Recovery Act of 2008, the City proposes the following uses of the emergency CDBG funds for the NSP Program:

Eligible Use(s)	Eligible Activities	Proposed Funding
1. Purchase & rehabilitate foreclosed homes/properties in order to sell, rent, or redevelop such homes/properties 2. Demolish Blighted Structures 3. Redevelop demolished or vacant properties 4. Land Banks 5. Financing Mechanisms	<ul style="list-style-type: none"> • Acquisition • Disposition • Direct Homeownership Assistance • Clearance for Blighted Structures • New Construction of Housing • Public Facilities and Improvements 	\$ 3,177,742*
6. Administration & Planning	<ul style="list-style-type: none"> • Program Administration 	\$ 353,083
TOTAL Allocations		\$ 3,530,825

* \$882,706 of this amount must be used to benefit low-income persons between 0-50% of the median family income.

Neighborhood Stabilization Program Focus

The City of Pomona will give priority emphasis to low, moderate and middle-income (0-120% AMI) areas that meet the following criteria, and will consider such areas as those with the **greatest need**:

1. Areas with the greatest percentage of home foreclosures;
2. Areas with the highest percentage of homes financed by subprime mortgage related loans; and
3. Areas with a high probability of foreclosure risk in the future, including high abandonment risk scores.

More information regarding the Proposed Neighborhood Stabilization Program can be located on the City's website at:

<http://www.ci.pomona.ca.us/ForeclosureInformation/NSP>

Comments may be made before the public hearing and during the public hearing or until close of business on November 18, 2008. Written comments should be addressed to Beverly Johnson, Housing Grants Administrator, Housing Division, P.O. Box 660, Pomona, CA 91769. Phone comments can be made at 909-620-2433 or 909-620-2198.

Council Chambers are accessible to the disabled. Those needing translation services or other accommodations may call (909) 620-2198 at least 48 hours prior to the meeting.