

# STAFF REPORT

## City of Lancaster

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Date: February 22, 2011

To: Mayor R. Rex Parris and City Council Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Receive and Appropriate Funds for the Neighborhood Stabilization Program III Pursuant to the Dodd-Frank Act of 2010**

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### **Recommendation:**

Appropriate estimated revenues of \$2,364,566.00 in account number 363-3200-100 for funds allocated by the U.S. Department of Housing and Urban Development for the Neighborhood Stabilization Program (NSP) pursuant to the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). Additionally, approve an appropriation of the same amount for the City's Neighborhood Stabilization Program III expenditures in account number 363-4542-771.

### **Fiscal Impact:**

Funding of the City's Neighborhood Stabilization Program comes from the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program Grant pursuant to the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The sum of \$2,364,566 is expected in revenues and will be used in expenditures for the program.

### **Background:**

In September 2008, pursuant to the Housing and Economic Recovery Act of 2008, the U.S. Department of Housing and Urban Development allocated a total of \$3.92 billion to round one of the Neighborhood Stabilization Program. This program, which is similar in nature to Lancaster's Neighborhood Foreclosure Preservation Home Ownership Program, assists cities with federal funds for the purpose of addressing the effects of abandoned and foreclosed properties in the nation's communities.

The City of Lancaster will receive a Neighborhood Stabilization Program round three allocation of \$2,364,566 from the U.S. Department of Housing and Urban Development. These funds must benefit persons of low-, moderate- and middle-income in areas within the community with the greatest percentage of home foreclosures, homes financed by subprime mortgage related loans and areas likely to face a significant rise in the rate of home foreclosures. The U.S. Department of Housing and Urban Development through the Frank Dodd Act allows the City to appropriate the Neighborhood Stabilization Program round three as a Substantial Amendment to the 2010-11 Community Development Block Grant.

The request for the appropriation will make the funds available to cover the cost of expenses associated with the Neighborhood Stabilization Program round three and assist the City in addressing the effects of abandoned and foreclosed upon homes and residential properties within the community.

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