

STAFF REPORT

City of Lancaster

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Date: May 27, 2014

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Director of Housing & Neighborhood Revitalization

Subject: **Appropriate Program Income from the U.S. Department of Housing and Urban Development (NSP 1); Appropriate Program Income and Program Funds from the U.S. Department of Housing and Urban Development (NSP 3)**

Recommendations:

- a. Appropriate Program Income revenues of \$2,997,533 for funds received from the sale of Neighborhood Stabilization Program (NSP 1) homes pursuant to the Housing and Economic Recovery Act of 2008. Appropriate \$2,697,780 for program expenditures in Account No. 363-4542-770 and \$299,753 for administrative expenditures in Account No. 363-4542-101.
- b. Appropriate Program Income revenues of \$1,096,136 for funds received from the sale of Neighborhood Stabilization Program 3 (NSP 3) homes pursuant to the Dodd-Frank Act of 2010. Appropriate \$986,522 for program expenditures in Account No. 363-4542-771 and \$109,614 for administrative expenditures in Account No. 363-4542-101.
- c. Appropriate Program Funds of \$492,959 from the original award of funds for the Neighborhood Stabilization Program 3 (NSP 3) pursuant to the Dodd-Frank Act of 2010. Appropriate \$492,959 for program expenditures in Account No. 363-4542-771.

The appropriation of funds will assist with the acquisition and rehabilitation of foreclosed homes in the expanded target areas. The funds are expected to be expended in fiscal years 2013-14 and 2014-15.

Fiscal Impact:

Program Income revenues of \$2,997,533 for NSP 1 are expected to be expended in fiscal years 2013-14 and 2014-15 for the purchase, rehabilitation, and resell of foreclosed homes in the expanded target areas.

Program Income revenues of \$1,096,136 for NSP 3 are expected to be expended in fiscal years 2013-14 and 2014-15 for the purchase, rehabilitation, and resell of foreclosed homes in the expanded target areas.

Program Fund revenues of \$492,959 from the original award for NSP 3 are expected to be expended in fiscal years 2013-14 and 2014-15 for the purchase, rehabilitation, and resell of foreclosed homes in the expanded target areas.

Background:

In September 2008, pursuant to the Housing and Economic Recovery Act of 2008, the City received and appropriated \$6,983,533 for the Neighborhood Stabilization Program from the U.S. Department of Housing and Urban Development. The City has received \$2,997,533 in Program Income revenues from the sales of the NSP 1 homes which will be used to acquire, rehabilitate, and then resell the foreclosed homes in the expanded target areas.

On February 22, 2011, pursuant to the Dodd-Frank Act of 2010, the City Council received and appropriated \$2,364,566 for the Neighborhood Stabilization Program from the U.S. Department of Housing and Urban Development for NSP 3. The City received \$1,096,136 in Program Income revenues from the sales of the NSP 3 homes which will be used to acquire, rehabilitate, and then resell the foreclosed homes. In addition, the City has \$492,959 available from the original NSP 3 award, both of which will be used to purchase, rehabilitate, and then resell foreclosed homes in the expanded target areas.

The request for the appropriation will make the funds available to allow the acquisition, rehabilitation, and resell of foreclosed homes in the expanded target areas. The U.S. Department of Housing and Urban Development allows the City to expand the target areas as a Substantial Amendment.

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