

**STAFF REPORT**  
**City of Lancaster**

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Date: October 25, 2016

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 from the U.S. Department of Urban Development (NSP 3)**

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**Recommendations:**

- a. Appropriate Program Income revenues of \$1,006,746.57 for funds received from the sale of Neighborhood Stabilization Program (NSP 1) homes pursuant to the Housing and Economic Recovery Act of 2008, for program expenditures in Account No. 363-4542-770.
- b. Appropriate Program Income revenues of \$159,12.70 for funds received from the sale of Neighborhood Stabilization Program (NSP 3) homes pursuant to the Dodd-Frank Act of 2010, 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 2015-2016, 2016-2017 and 2017-2018.

**Fiscal Impact:**

Program Income revenues of \$1,006,746.57 for NSP 1 are expected to be expended in fiscal years 2015-2016, 2016-2017 and 2017-2018 for the purchase, rehabilitation, and resell of foreclosed homes in the expanded target areas.

Program Income revenues of \$159,12.70 for NSP 3 are expected to be expended in fiscal years 2015-2016, 2016-2017 and 2017-2018 for the purchase, rehabilitation, and resell of foreclosed homes in the expanded target areas.

**Background:**

In September 2008, pursuant to the Housing Economic Recovery Act of 2008, the City Council received and appropriated \$6,983,533 for the Neighborhood Stabilization Program from the U.S. Department of Housing and Urban Development. The City received \$2,997,533 in Program Income revenues from the sales of the NSP 1 homes. On May 27, 2014, the City Council approved the appropriation of \$2,997,533 in Program Income to continue to administer and implement NSP1.

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. On May 27, 2014, the City Council approved the appropriation of \$1,096,136 in Program Income to continue to administer and implement NSP3.

The request for the appropriation will make 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.