



CITY OF MEMPHIS

NEIGHBORHOOD STABILIZATION PROGRAM

Overview

The Neighborhood Stabilization Program is a grant-funded program awarded by the U.S. Department of Housing and Urban Development. This program will be administered locally by the City of Memphis Division of Housing and Community Development.

The program provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that are abandoned or vacant. The NSP acquired properties must be rehabilitated for the purpose of resell, rent, or lease purchase in order to stabilize neighborhoods and control potential blight that foreclosures may cause.

NSP Awards

The city, county and state were awarded federal grants under the Neighborhood Stabilization Program.

- The City of Memphis was awarded \$11,506,415
- Shelby County was awarded \$2,752,708*
- The State of Tennessee was awarded \$49,360,421*

* Contact Shelby County and the State of Tennessee for further information on their NSP awards at the following web sites: shelbycountyttn.gov and thda.org

Designated NSP Areas

The city has selected ten (10) zip codes based on established criteria by HUD as areas of greatest need related to foreclosures. The criteria used to select the city's areas of greatest need was formula based and provide by HUD as follows: 1) Areas with the greatest percentage of home foreclosures; 2) areas with the highest percentage of homes financed with sub prime mortgages; and 3) areas identified as likely to face a significant rise in the rate of home foreclosures.

NSP Zip Codes	
38127	38106
38111	38109
38116	38118
38115	38128
38114	38141

Eligible NSP Activities

- Acquisition – To purchase foreclosed properties that have been abandoned or vacant for 90 or more days. The value of the property must be determined by appraisals conducted 60 days or less from the date of acquisition.
- Rehabilitation – To renovate all NSP acquired properties and bring them up to Housing Quality Standard code. When possible, use energy efficient materials (evaluate cost).

- Housing Counseling – To provide eligible beneficiaries with a minimum eight (8) hours of one-on-one counseling from a HUD certified housing counseling agency.
- Down Payment Assistance – To establish a funding mechanism for the resell of NSP purchased and rehabbed properties to low-moderate-middle income homebuyers.

Other Major Requirements

- Funds must be obligated in 18 months and expended within 4 years
- All NSP acquisitions must be at a minimum of one percent discount (1% of acquisition price)
- Affordability requirements apply
- All beneficiaries must be families with incomes up to 120% of Area Median Income
- 25% of the funding must benefit families with incomes up to 50% of Area Median Income

Eligible Housing Development Participants

- Housing Development partners must complete both the Request for Qualification and Request for Application Processes in order to participate in this program. Participating Housing Developers include:

Eligible Beneficiaries

- Low, moderate and middle income families (120% or less of the area median income) that meet the requirements for participation in the Neighborhood Stabilization Program. Eligible families must meet income and other requirements to qualify to purchase, rent or lease-purchase the NSP homes.

Property Disposition

- In the near future, a list of NSP properties will be placed on the Web site. To purchase, rent or lease-purchase an NSP property you must apply and meet requirements. A phone number will be provided where they will take your application for a particular property. (Properties will be awarded on a first come first serve basis after eligibility requirements have been met.)

Selected NSP Housing Partners

The selection of the housing development partners were in two phases: 1) Request for Qualifications; and 2) Request for Application.

Need more information

For additional information or inquiries, please contact Twarla Guest at 901.576.4237.