

**Proposed NSP3 Program Amendment Summary  
November, 2013**

The City of Milwaukee received \$2.7 in Neighborhood Stabilization Program 3 (NSP3) funding from the Department of Housing and Urban Development (HUD) to carry out NSP eligible activities to address foreclosed and abandoned homes. The Department of City Development administered NSP3 program activities including:

- Homebuyer Assistance - forgivable loans to owner occupants to assist with the purchase and rehabilitation of foreclosed homes.
- Acquisition/Rehabilitation/Resale – acquisition and rehabilitation of foreclosed homes for sale to owner occupant purchaser. These projects are carried out by partner developers and NIDC/
- Large Rental Projects – acquisition and rehabilitation of foreclosed homes for high quality, affordable rental opportunities.

Under NSP3, HUD required micro-targeting and the original areas selected for NSP3 activity included census tracts in the Sherman Park and Layton Boulevard West Neighborhoods.

The deadline for expending the City's initial NSP3 grant is March of 2013. To date, DCD has obligated 87% and expended 80% of its NSP3 program activity funds.

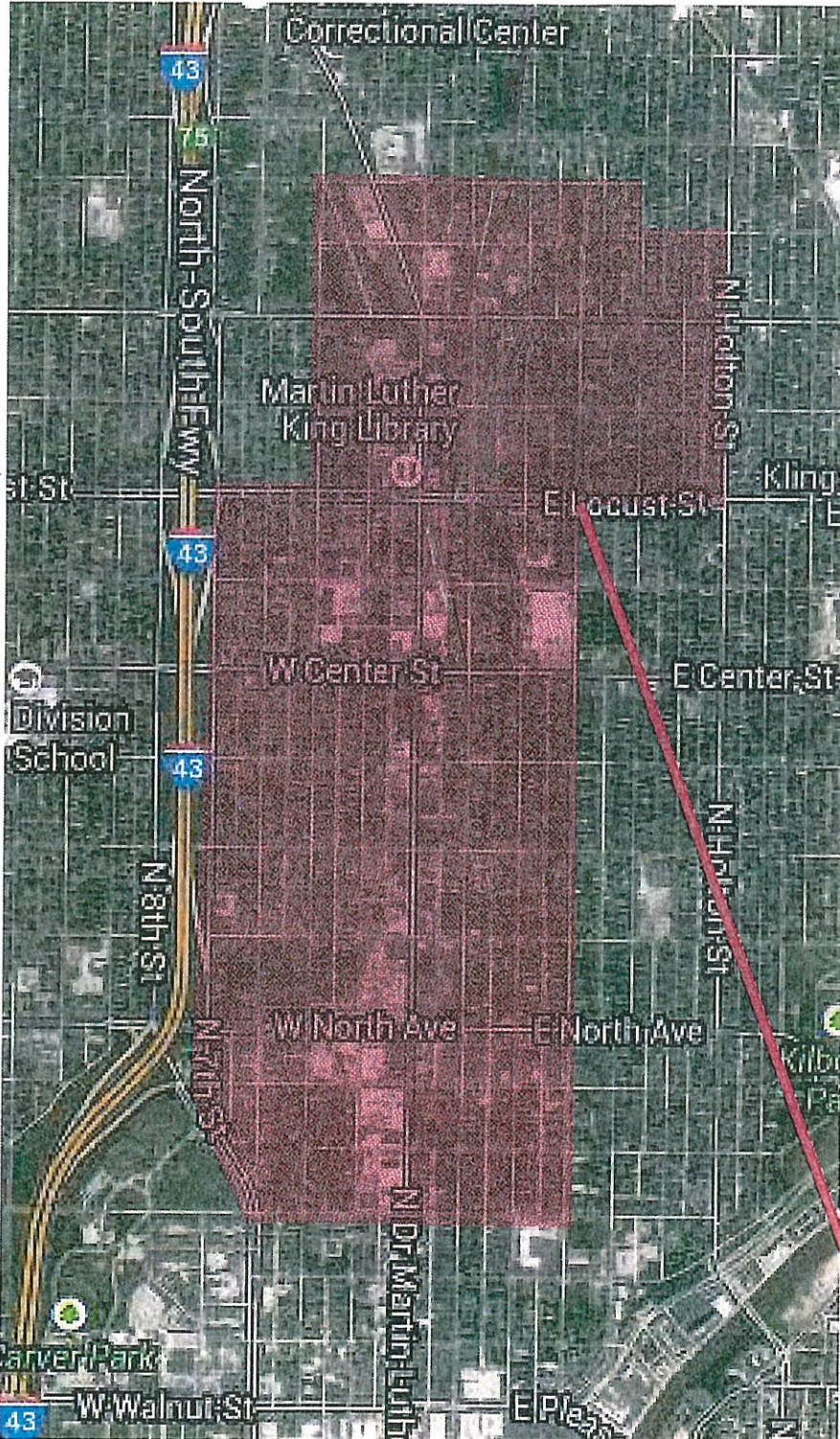
An amendment is being proposed to the NSP3 program to add three census tracts in the Harambee neighborhood (tracts 70, 1856, and 1857), and to shift funds in an amount up to \$172,217 from the Homebuyer Assistance Program to the Acquisition/Rehab Program to accommodate program demand.

The addition of the Harambee census tracts builds on NSP1 and NSP2 investments in the area. This includes Acquisition/Rehabilitation activity, Homebuyer Assistance and the support of large rental projects including the King Drive Commons Phase IV project.

Adding the Harambee neighborhood would also allow the City to continue its activities in support of large scale scattered-site rehabilitation projects, including a project in the Harambee neighborhood involving the acquisition and rehabilitation of 30 City in rem properties utilizing the low income housing tax credit program.

An updated budget and map of the area containing the proposed new census tracts for NSP 3 are attached.

Proposed Expanded NSP3 Harambee Neighborhood Target Area



Expanded NSP3 Harambee Area

NSP 3 Proposed Budget Amendments  
November 2013

<u>Account #</u>	<u>Activity</u>	<u>Original Budget*</u>	<u>Proposed Amendment**</u>	<u>Proposed Change</u>	<u>Original Unit Projections*</u>	<u>Proposed Amendment**</u>
NS420010000	Homebuyer Assistance	\$400,000	\$227,783	-\$172,217	16	9
NS440010000	Acquisition/Rehab/Resale	\$1,078,361	\$1,250,578	\$172,217	9	11
NS462020000	Rental Development (Low-Income Set Aside)	\$672,000	\$672,000	\$0	22	22
NS480010000	Demolition (DNS)	\$268,794	\$268,794	\$0	16	16
NS410000000	Administration	\$268,794	\$268,794	\$0	NA	NA
<b>Total</b>		<b>\$2,687,949</b>	<b>\$2,687,949</b>	<b>N/A</b>	<b>63</b>	<b>58</b>

**\*\*NOTE ON AMENDED BUDGET FIGURES ABOVE:** The proposed amended budget would move up to \$172,217 of funds currently budgeted for the NSP Homebuyer Assistance Activity to the NSP Acquisition Rehabilitation Activity. As of the application deadline for the NSP Homebuyer Assistance Program and the deadline for posting this proposed amendment for public comment and Common Council action, there were a small number of Homebuyer Assistance applications received prior to the deadline still being processed. The City's intention is to fund those applications if eligible. Funding commitments would be made prior to final submission of this proposed amendment to HUD. Any remaining Homebuyer Assistance applications that receive funding would reduce the amount of funds proposed to be shifted to the Acquisition/Rehabilitation category. Budget amounts and performance measures would be adjusted accordingly prior to the final submission of this amendment to HUD.

