

**PROPOSED APPLICATION TO THE ALABAMA DEPARTMENT OF
ECONOMIC AND COMMUNITY AFFAIRS (ADECA)
NEIGHBORHOOD STABILIZATION PROGRAM
DEPARTMENT OF COMMUNITY DEVELOPMENT
CITY OF BIRMINGHAM, ALABAMA**

INTRODUCTION:

The U.S. Department of Housing and Urban Development (HUD) has announced a new Neighborhood Stabilization Program (NSP) to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008 (HERA).

ADECA-NSP GRANT AMOUNT:

On February 13, 2009 the Alabama Department of Economic and Community Affairs (ADECA) provided notice to the City of Birmingham, Alabama (the City) that it's December 3, 3008 pre-application for State of Alabama NSP program funding has been conditionally approved in the amount of \$2.0 million. ADECA indicated these funds will be available for the acquisition, rehabilitation, and resale of abandoned and foreclosed upon homes.

The City proposes to undertake the following eligible uses as authorized pursuant to the Housing and Economic Recovery Act (HERA) and the Community Development Block Grant (CDBG) program and as outlined in its Pre-Application to ADECA.

I. Purchase and Rehabilitation Program for Sale, Rent, or Redevelopment:

(1) **Activity Name:**

Purchase and Rehabilitation Program for Sale, Rent or Redevelopment.

(2) **Activity Type:** (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use:

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.
- 25CFR 570.201 (a) acquisition, (b) dispositions, (i) Relocation, and (n) Direct homeownership assistance (as modified below):
- 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).
.24 CFR 570.201 (a) Acquisition and (b) Disposition.

- (3) **National Objective:** (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income.

(4). Total NSP Purchase & Rehabilitation Project Budget: \$1,900,000.00

II. Administration:

(1) Activity Name: Administration.

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible

NSP Eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Use:

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.

- (3) **National Objective:** (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

This activity meets the national objective by providing or improving permanent residential structures that will benefit low, moderate and middle income persons, as defined in the NSP Notice---i.e., < 120% of area median income.-
Administration of the NSP Program.

(4) Total Administration Budget: \$100,000.00

TOTAL ADECA-NSP PROPOSED BUDGET: \$2,000,000.00

FIFTEEN DAY CITIZEN COMMENT PERIOD & NOTICE OF PUBLIC HEARING:

The City encourages citizens to participate in the development of the City's Final ADECA-NSP Application Submission as described herein regarding proposed NSP program activities and will accept written comments for a period of at least fifteen (15) calendar days.

Complete copies of the City's ADECA NSP Pre-Application Submission are available for inspection in the City's Community Development Department, 710 North 20th Street, Room 1000, Birmingham, Alabama from 8:00 a.m. to 5:00 p.m., Monday through Friday, except legal holidays and a copy is posted on the City's website at www.birminghamal.gov.

The City's Community Development Department will conduct a public hearing on **Thursday, March 5, 2009 at 9:30 a.m. the Birmingham City Council Chamber, 710 North 20th Street, 3rd Floor City Hall; Birmingham, Alabama.** The purpose of the hearing will be to obtain comments regarding the proposed use of ADECA-NSP Program Funds. Also, citizens will be afforded an opportunity to 1) identify housing and community development needs and priorities; 2) review proposed uses of funds; and 3) comment on and review the City's program performance. All comments and proposals received will be considered in the development of the City's Final NSP Submission to ADECA.

The hearing location is accessible to persons with disabilities; however, anyone who requires further information or has a disability which might require special materials, services, or assistance should notify the Community Development Department at the referenced address no later than 48 hours prior to the scheduled hearing dates. The City does not discriminate on the basis of disability in admissions to, access to, or operations of its programs, services, or activities. The City does not discriminate on the basis of disability in its hiring or employment practices as mandated by Title 11 of the Americans with Disabilities Act of 1990.

Written comments regarding the City's Proposed ADECA-NSP Program Submission should be submitted to James F. Fenstermaker, Director; Community Development Department at the address referenced herein. All written comments or proposals must be received at the referenced address **no later than Monday, March 16, 2009 by 5:00 p.m.** to be considered in the development of the City's Final ADECA-NSP Submission.

The City's Final State of Alabama NSP submission is due to ADECA no later than March 31, 2009.

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