



Implementation of the Neighborhood



By Gladys Schneider

Florida, perhaps even more so than the rest of the nation, is grateful for The Neighborhood Stabilization Program (NSP); this \$541 million infusion is a critically important piece of our housing and economic recovery. But it will come as no surprise to those working with NSP that the program is not without its challenges.

The Lay of the Land

Florida's Neighborhood Stabilization Program communities are frequently finding that buying bank owned foreclosed property, (REO properties) is not an easy task. As we check in with NSP communities about their progress, we find that competing with investors is reported as the single most surprising and difficult obstacle in obligating their NSP funds.

Word on the street, in the news, and in the reported foreclosure data, would have us believe that foreclosed properties are there for the taking, but the reality is that in the process of finding suitable properties located in target areas, inspecting the properties, making an offer to the bank-seller, and executing contracts, local governments find that they are competing with multiple bids from private cash investors. Local governments are left behind

TECHNICAL ASSISTANCE AVAILABLE



The Florida Housing Coalition is pleased to offer on-site technical assistance and training for HUD Direct NSP communities, their partners and sub-recipients. Thanks to support from Fannie Mae, Freddie Mac, and the Federal Home Loan Bank of Atlanta, we can assist with utilizing First Look Programs as well as the overall implementation of NSP strategies including property identification, due diligence, rehabilitation best practices, homeownership counseling and the core program goals of stabilizing low and moderate income neighborhoods. We will also be offering a series of workshops in January and February. If you would like us to come to your community to provide direct technical assistance, call us at 850-878-4219.

ood Stabilization Program in Florida

clutching purchase orders, marked up purchase contracts and addenda and that sinking feeling of another deal scooped.

Yet many communities have persevered and across Florida hundreds of foreclosed properties have been purchased either directly by the NSP grantee or their partners.

Rehabilitation activity is sparking in some neighborhoods and the search for buyers or renters is on. First Look programs are making it a lot easier for local governments to get a fair chance at purchasing foreclosed properties because they get relief from the competition with a 15 day look period when the bank-seller offers to hold the property until NSP buyers can make inspections and place an offer. Appraisals can then be used to modify the offer and a firm closing date is set. Fannie Mae offers such a program as do several financial institutions such as Bank of America,

Wachovia Bank, a Wells Fargo Company, and JP Morgan Chase. Responding to a national collaborative effort to streamline the purchase of foreclosed properties, some communities are signing on with the National Community Stabilization Trust which provides first look access to the properties of a dozen financial institutions including Fannie Mae and Freddie Mac loans.

Nationally, it is estimated by the Enterprise Foundation that 13% of the NSP allocation has been obligated. Overall, many of Florida's 48 HUD direct funded NSP communities are underway with the implementation of their strategies. Some however have not expended any funds and this is of great concern. We take a look at the progress of some of these jurisdictions and explore the progress and obstacles they experience. Given the shrinking timeframe for completion of the first 18 months to obligate NSP funds we take a closer look at land banking as a backup strategy to secure the properties until permanent disposition is achieved.