



DELAWARE STATE HOUSING AUTHORITY

NEWS RELEASE

Anas Ben Addi, Director

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HUD SECRETARY DONOVAN ANNOUNCES \$10 MILLION IN RECOVERY ACT GRANTS TO STABILIZE NEIGHBORHOODS, REBUILD ECONOMIES IN DELAWARE

Neighborhood stabilization grants to the First State neighborhoods hard hit by the housing crisis

U.S. Department of Housing and Urban Development (HUD) Secretary Shaun Donovan recently announced that HUD is awarding \$10 million in Recovery Act funding to the Delaware State Housing Authority (DSHA) under the second round of HUD's *Neighborhood Stabilization Program* (NSP). The NSP grants are part of \$2 billion awarded nationwide to local communities and nonprofit housing developers to combat the effects of vacant and abandoned homes while creating jobs. Funded through the *American Recovery and Reinvestment Act of 2009*, this round of NSP grants is being awarded competitively to applicants who developed the most innovative ideas to address the impact the housing crisis has had on local communities, while demonstrating that they have the capacity to be responsible stewards of taxpayer dollars.

Governor Jack Markell said, "This program puts people to work transforming vacant, bank-owned properties into homes. It helps families become homeowners and communities become whole again."

DSHA Director Anas Ben Addi added, "The first round of NSP funding has shown great progress in turning the foreclosed houses into family homes. We are looking forward to continuing our work in stabilizing the communities hardest hit by the housing crisis."

Delaware State Housing Authority has been awarded \$10,007,109 in NSP2 funds. These funds will be used to address areas suffering from high foreclosure rates, subprime mortgages, unemployment, and decreasing market values of homes. The State proposes to purchase and rehabilitate an initial 100 foreclosed homes. It is expected that in the future, additional homes will be added to the program with recycled funds and leveraging other resources. The homes will be made available for purchase to households whose income does not exceed 120 percent of the area median income, with 25 percent of the funds to be used for households at or below 50 percent of median income.

Delaware's goals in executing this program are to increase demand for homes through the availability of financing mechanisms, improve homeownership rates, provide a stock of permanently

affordable homes, stabilize the housing market to avoid further decline, and encourage further investment in the area.

The Neighborhood Stabilization Program will also help to prevent future foreclosures by requiring housing counseling for families receiving homebuyer assistance funds through NSP. In addition, it will protect homebuyers by requiring grantees to ensure that new homebuyers under this program obtain a mortgage from a lender who agrees to comply with sound lending practices.

For more information about the Neighborhood Stabilization Program, please contact DSHA toll free at 888-363-8808, or visit the NSP website at www.NSPDelaware.org.

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