

## Neighborhood Stabilization Program 2009 (NSP 2) Foreclosure Recovery Plan Sources & Uses

NSP 2 Eligible Use	Hennepin County		Brooklyn Park		Minneapolis		Total	
	Funds	Units	Funds	Units	Funds	Units	Funds	Units
A. Establish <b>financing</b> mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties	\$ 1,350,000	135	\$ 500,000	50	\$ 2,000,000	200	\$ 3,850,000	385
B. <b>Purchase and rehabilitate</b> homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop	\$ 1,200,000	20	\$ 4,200,000	70	\$ 16,500,000	275	\$ 21,900,000	365
C. Establish <b>land banks</b> for homes and residential properties that have been foreclosed upon <sup>1</sup>	\$ 800,000	5	\$ 450,000	3	\$ 15,600,000	300	\$ 16,850,000	308
D. <b>Demolish</b> blighted structures	\$ -	0	\$ -	0	\$ -	0	\$ -	0
E. <b>Redevelop</b> demolished or vacant properties as housing	\$ 500,000	5	\$ 200,000	2	\$ 500,000	10	\$ 1,200,000	17
Subtotal	\$ 3,850,000	165	\$ 5,350,000	125	\$ 34,600,000	785	\$ 43,800,000	1075
Administration <sup>2</sup>	\$ 327,250		\$ 454,750		\$ 3,598,000		\$ 4,380,000	
<b>TOTAL<sup>3</sup></b>	<b>\$ 4,177,250</b>	<b>165</b>	<b>\$ 5,804,750</b>	<b>125</b>	<b>\$ 38,198,000</b>	<b>785</b>	<b>\$ 48,180,000</b>	<b>1075</b>
<b>25% Requirement<sup>4</sup></b>	<b>\$ 1,044,313</b>		<b>\$ 1,451,188</b>		<b>\$ 9,549,500</b>		<b>\$ 12,045,000</b>	

### Footnotes

<sup>1</sup>Some of these funds will be used to support the Twin Cities Community Land Bank, subject to each jurisdiction's board approval.

<sup>2</sup>NSP2 limits administration to 10% of total award. Hennepin County and Brooklyn Park will receive 8.5% of their total award for administration. Minneapolis will receive the remainder for administration as the lead entity.

<sup>3</sup>There may be duplication in the total unit count (i.e. the down payment program under Activity A could be used to purchase a property rehabbed in Activity B).

<sup>4</sup>NSP2 requires that 25% of the funds received must be targeted to households at or below 50% of area median income.

### Assumptions

A. Financing: \$10,000 average per homebuyer for down payment and closing cost assistance.

B. Purchase and Rehabilitate: \$60,000 average per unit for value gap, and in Brooklyn Park for value gap and homebuyer assistance.

C. Land Bank: \$100,000 for Hennepin County and Brooklyn Park and \$50,000 for Minneapolis average per property for acquisition, demolition and holding costs.

D. Demolition: No NSP2 funds are allocated to demolition. In Minneapolis, NSP1 Funds will be recycled for regulatory services demolition.

E. Redevelop: \$100,000 for Hennepin County and Brooklyn Park and \$50,000 for Minneapolis average per property for new construction to assist in meeting low income requirements.