

Introduction

NSP1, NSP2, and NSP3 Reports Second Quarter 2013

A Brief Background on the Neighborhood Stabilization Program

The **Neighborhood Stabilization Program (NSP)** was established for the purpose of stabilizing communities that have suffered from foreclosures and property abandonment stemming from the foreclosure crisis and economic recession. In 2008, Congress authorized the Neighborhood Stabilization Program under Title III of the Housing and Economic Recovery Act (HERA), appropriating \$4 billion to be disbursed through the U.S. Department of Housing and Urban Development (HUD). State and local governments representing communities hardest hit by the foreclosure crisis were awarded the funding. Since then, two additional rounds of the program (NSP2 and NSP3) have been authorized by Congress, receiving \$2 billion under the American Recovery and Reinvestment Act (ARRA), and \$1 billion under The Dodd-Frank Consumer Protection and Wall Street Reform Act of 2010 (Dodd-Frank Act), respectively. All three rounds of NSP funding have been designed to support local strategies and encourage collaborative efforts.

The **Disaster Recovery Grant Reporting (DRGR)** system was developed by HUD's Office of Community Planning and Development for the Disaster Recovery CDBG program and other special appropriations, such as NSP. Each NSP grantee is required to submit an **Action Plan in DRGR** describing the process that will be used to determine the areas of greatest need; the distribution and eligible uses of NSP funds; a program budget; and the expected outcomes and benefits to low-, moderate-, and middle- income families.

Once an Action Plan is approved and the local NSP program launched, grantees begin submitting **Quarterly Performance Reports (QPRs)**, which contain information about the uses of funds, activity types, demographics of households benefitted, budgets and locations of NSP activities. QPRs are submitted via DRGR, and the data can then be used by HUD staff to review funded activities, prepare reports to Congress and other interested parties, and ensure program compliance. NSP1 and NSP3 grantees must submit QPRs thirty (30) days following the end of each quarter. NSP2 grantees must submit QPRs ten (10) days following the end of each quarter. This reporting is based on the calendar year.

Production Reports: Tracking Relevant Performance Measures

These reports contain cumulative data up through the end of the most recent quarter, as reported by the grantee in DRGR. An NSP grantee reports on the accomplishment of an activity when it meets an **End Use**, such as providing down payment assistance to an eligible household, demolition of a blighted property, or acquiring and rehabbing a foreclosed property and selling it to an eligible owner occupant. The grantee must enter the end use in DRGR as a **Performance Measure** (the metric for an individual activity such as 'number of properties' for Clearance/Demo and the 'number of households' for Rehab/New Construction, Homeownership Assistance, and Acquisition).

For the purpose of these reports, the term "**Unit**" refers to a "**Unit of Service**," meaning the NSP activity that has been reported at a given address, as opposed to a unique physical structure. This is done because in many cases an NSP project includes more than one activity at a specific address. For example, NSP funds can acquire a house, pay for its rehabilitation, and provide homeownership assistance to an eligible family moving into the house. This may create three Units of Service associated with this property. Each grantee includes projected completions for their End Uses in their Action Plans, and reports actual completions in DRGR.* Data elements used to create the charts within the reports are self reported by the grantee and are independent of one another. Therefore, differences in projected and actual totals may occasionally occur between charts.

It should also be noted that where the data indicate State vs. Local Government, State refers to the state grantees while Local Government refers to the municipal and urban county grantees. Additionally, the orange zeroes located within the tables indicate projected activities that have no reported completions. NSP grantees must meet the National Objective of serving Low, Moderate and Middle Income (LMMI) beneficiaries earning up to 120% Area Median Income (AMI), with the additional statutory requirement that at least 25% of their NSP funds serve households earning less than 50% AMI (LH25). Grantees report on their progress towards these objectives quarterly in DRGR.

These reports include three Summary Reports of aggregated data for all NSP1, NSP2 and NSP3 grantees, as well as individual state reports for the NSP1 and NSP3 programs. The NSP2 Summary Report does not include State and Local Government data, as NSP2 funding was awarded through a competitive process that includes non-profit organizations. The Summary Reports include data through the most recent quarter.

For more information on the Neighborhood Stabilization Program, please visit the NSP Resource Exchange at: <http://hudnshelp.info>.

*"Projected" refers to the total projected number of households (or properties for Clearance/Demo) the Grantee anticipates to complete by the end of their NSP grant for each Activity Type.