

# Neighborhood Stabilization Program (NSP): FACT SHEET

Hamilton County Community Development • 138 E. Court Street Room 1002 • Cincinnati, OH 45202 • (513) 946-8230

## Participating Communities

Cheviot, Cleves, Colerain Township, Elmwood Place, Forest Park, Golf Manor, Lincoln Heights, Lockland, Mount Healthy, North College Hill, Norwood, St. Bernard, Silverton, Springfield Township, and Woodlawn.

## Eligible Uses

1. Residential property acquisition for demolition and redevelopment/new construction (Eligible Use E)
2. Residential property acquisition for rehabilitation (Eligible Use B or E)
3. Rehabilitation of residential property (Eligible Use B or E)
4. New construction of residential housing (Eligible Use E)
5. Demolition of blighted residential or commercial property (Eligible Use D)
6. Homebuyer down payment assistance (Eligible Use B or E)
7. Homebuyer counseling (Eligible Use B or E)
8. Expenses associated with carrying out any of these activities, such as appraisals, legal services, marketing, realtor fees, developer fees, etc.

## Buyer Annual Household Income Limits

Rehabbed homes or newly constructed homes must be sold to an income eligible buyer. The maximum income threshold is listed below:

<u>Household size</u>	<u>120% Area Median Income</u>
1	\$58,150/year
2	\$66,450/year
3	\$74,750/year
4	\$83,050/year
5	\$89,700/year
6	\$96,350/year
7	\$103,000/year
8	\$109,650/year

## Acquisition/Appraisal Requirements

**Foreclosed** properties are required to be appraised within 60 days of a final purchase offer and must be purchased at a minimum of a 1% discount from the appraised value. This does not apply to abandoned or vacant properties, but it is highly encouraged to obtain appraisals for all types of properties.

Appraisals must be performed by one of three licensed appraisers in the State of Ohio. The appraised value, the purchase offer, and the voluntary nature of the purchase must be outlined to the seller in the form of a letter prior to the acceptance of a final offer. For more details concerning appraisals or to see a sample offer letter, please email [Katie.rademacher@hamilton-oh.org](mailto:Katie.rademacher@hamilton-oh.org).

## Down Payment Assistance, Homebuyer Counseling, Affordability Requirements

Down payment assistance and 8 hours of homebuyer counseling must be provided to low/moderate/middle income (LMMI) buyers of NSP assisted homes. Homebuyer counseling will be provided by the Home Ownership Center. The amount of the down payment assistance will not exceed \$14,999 and is provided in the form of a soft-second mortgage that is forgiven if the buyer remains in

the home for a minimum affordability period of 5 years. If the buyer sells the home before 5 years then the soft-second mortgage must be repaid, assuming there are sufficient net proceeds.

#### Environmental Review

The county must be provided with the address of any property to be acquired or developed with NSP funds so that an environmental review can be conducted before any action is taken.

#### Sale of NSP Homes

NSP assisted homes must be sold to a LMMI person/family at a price that does not exceed the total cost to acquire, rehab, or redevelop the property. Marketing fees, realtor fees, developer fees, etc. can be included in the purchase price. No profit may be made on the sale of an NSP assisted home to an income eligible buyer.

#### Developer Fee

A pre-set developer fee will be approved by the Hamilton County Community Development Department and will be based on the scope of rehabilitation work required and expected total cost of the project. The developer will retain this fee after the successful sale of the rehabilitated or redeveloped home.

#### Rehab/Construction Guidelines

All rehab or new construction work must meet the 2006 Residential Code of Ohio. This applies to those communities that fall under Hamilton County's jurisdiction; all other communities must follow their adopted/approved Residential Building Code and/or Rehabilitation Standards. In all NSP assisted homes HUD is encouraging energy efficiency and visitability (relaxed handicapped accessibility standards) improvements. Federal Lead-Based Paint Requirements also apply and a table outlining those requirements can be found on the Community Development website at [www.hamiltoncountyohio.gov/commdev/v2/StabilizationProgram.asp](http://www.hamiltoncountyohio.gov/commdev/v2/StabilizationProgram.asp).

#### Financing Mechanisms

Communities are encouraged to seek financing for rehab/new construction projects through a non-profit or for-profit lender. Once the NSP project is complete, Hamilton County Community Development would then pay off any loans including interest with the community's NSP funds. In the event bank financing cannot be obtained, the County may provide financing.

#### County-wide NSP Demolition Fund

Those communities not listed in the Participating Communities section may be eligible to receive grants through the Neighborhood Stabilization Program demolition fund. A total of \$400,000 (out of the county's total \$8 million) has been allocated to this program for the purposes of demolition. To obtain an application for this program, please visit the County's NSP website listed above.