

## NEW HAVEN CITY PLAN COMMISSION ADVISORY REPORT

**RE:** **NEIGHBORHOOD STABILIZATION PROGRAM III**, Authorization to apply for and accept Funding in the amount of approximately \$1,041,597 under the HUD Dodd/Frank Financial Reform Act for Acquisition and Rehabilitation of Foreclosed, Abandoned and/or Blighted Structures in Dixwell, Fair Haven, the Hill and Newhallville Neighborhoods (Executive Director, Livable City Initiative).

**REPORT:** 1447-08

**ADVICE:** Approval

### BACKGROUND

Before the Board is a request for authorization for the Mayor to apply for and accept approximately \$1,041,597 in Neighborhood Stabilization Program III funding awarded to the City of New Haven for emergency assistance for redevelopment of abandoned and foreclosed homes and residential properties. The Dodd-Frank Financial Reform Act approved June 30, 2010 appropriated \$970 million nationwide for this purpose, targeting areas in the greatest need of assistance. There may be additional funds allocated out of funds directly allocated to the CT Department of Economic and Community Development.

The Commission has previously advised the Board to authorize implementation of a Local Action Plan under HUD's Housing and Economic Recovery Act of 2008 (HERA) (CPC 1425-21) and to approve ARRA funding of Neighborhood Stabilization Program II activities (CPC 1429-19). The NSP II funds did not come through and thus Livable City Initiative is now applying for NSP III funding under the Dodd-Frank Act.

### PLANNING CONSIDERATIONS

The City intends to use funding from the Neighborhood Stabilization Program III in accordance with the Local Action Plan previously submitted and approved for Neighborhood Stabilization Program I in order to create a greater impact in the City's Target Zones. Target areas will be the Newhallville, Dixwell, Hill and Fair Haven neighborhoods where the foreclosure rate is the highest and where such funding can make the biggest difference.

Guidelines for NSP III include the "Deep Target" strategy which identifies areas but then determines how many realistic properties there are given the allocation. This involves beginning with the target areas as determined in NSP I and targeting down to a more comprehensive street approach for greater impact. Eligible activities include financial mechanism, purchase and rehab to sell or rent, demolition and redevelopment.


The City, in collaboration with community partners, has sought to provide a coordinated response to the foreclosure crisis in areas of greatest need. The collaboration produced ROOF (Real Options Overcoming Foreclosure) which conducted extensive outreach and assistance activities. ROOF engaged individuals facing, or in danger of facing foreclosure directly, and opened discussions with a number of the financial institutions that are doing the foreclosures. They raised private funding to start these activities before any government funding was appropriated. ROOF tracked and analyzed foreclosures and lis pendens (pre-foreclosure) activities in the New Haven housing market for several months.

### ADVICE

With tools it has in place, the City is ready and able to acquire foreclosed properties which will have the greatest impact on the target neighborhoods. The Commission recommends approval by the Board of the funding request.

**ADOPTED:** December 15, 2010  
Edward Mattison  
Chair

**ATTEST:**

  
Karyn M. Gilvarg, AIA  
Executive Director