

CITY OF LAS VEGAS  
NEIGHBORHOOD STABILIZATION PROGRAM (NSP) 1  
SUBSTANTIAL AMENDMENT #4 OF THE FY11 HUD ACTION PLAN  
GRANT NUMBER: B-08-MN-32-0002

**I. Background**

Due to the housing market crash that began nationally in 2003, the U.S. Department of Housing and Urban Development (HUD) established the Neighborhood Stabilization Programs (NSP) to stabilize communities that have suffered from foreclosures and abandonment. Las Vegas was one of the hardest hit because it had the largest gains. Home prices plummeted by 60 percent, which was nearly twice the national rate. (Channel 13 KTNV Las Vegas, 2018) Therefore, to stave off long lasting devastation to communities and the housing market, HUD awarded the City NSP 1 and NSP 3 grants. The NSP 1, program funds authorized under Division B, Title III of the Housing and Economic Recovery Act (HERA) of 2008, was the first round of neighborhood stabilization grants to all states and select governments on a formula basis.

Since the local housing market has recovered, the City submits a third substantial amendment to its FY11 NSP 1 HUD Action Plan. This substantial amendment proposes adding a target area - Ward 3, along with the previous target area of the Historic Westside in Ward 5. Funds will be used towards the acquisition, construction and/or rehab of a structure for a Health and Wellness Center and/ or Family Shelter in addition to the construction or rehab for affordable housing units.

**City of Las Vegas' NSP 1 Program**

The City discussed in its FY11 HUD Action Plan the utilization of NSP 1 funds for Acquisition and Rehabilitation (Eligible Use E) of abandoned and foreclosed homes in the following target areas: 89101, 89104, 89107, 89108, 89110, 89131, 89129, 89128, and 89117. Through the purchase of 172 residential homes, the City stabilized these communities and maintained them as livable, vibrant neighborhoods while having met the following National Objectives:

1. *Rent the residential property to a family at or below 120% Area Median Income (AM)* – The City exceeded the requirement to set aside 25% of funds, as required by HUD, to serve households earning at or below 50% area median income. There are currently 54 long-term rental properties used to serve families earning at or below 50% AMI. The Southern Nevada Regional Housing Authority, as a partner with the City, is managing those properties.

2. *Sell the property to a family at or below 120% AMI: Homeownership Assistance* – 118 of the 172 homes were sold to persons earning up to 120% AMI with deed restrictions to maintain ownership for 5 years. The program provided mortgage down payment assistance and/or closing costs assistance not to exceed \$50,000. Homebuyers had to attend a minimum 8 hours housing counseling facilitated through a HUD certified housing counselor.
3. *Land Bank*, which is in holding for future planning.

The targeted NSP 1 neighborhoods have fully recovered from the housing crash and resultantly, there is little inventory available for purchase.

## II. **Amendment to Area(s) of Greatest Need**

With the full housing recovery, the City had received approval from HUD to remove the long term rentals from the NSP 1 program, sell them at Fair Market Value and repurpose the proceeds from the sale of its properties to the revitalization of the Historic Westside (Ward 5), thereby, amending the original areas of greatest need. The City continues to identify other areas of greatest need and adds low income communities in Ward 3.

The City will provide relocation assistance to tenants in the NSP 1 homes in compliance with the Uniform Relocation Act.

### **Amendment to Expand the use of Redevelopment Activity (Eligible Use E)**

The City added the 'Redevelopment Activity (Eligible Use E) to its NSP 1 HUD Action Plan in support of its redevelopment and revitalization efforts in the Historic Westside. The City will expand the use of the Redevelopment Activity to include a series of re-development activities with its NSP 1 funds to include the acquisition and rehab of a building or construction of a public facility to be used as a family shelter that will provide access to transitional housing for women and families with children. In addition to the aforementioned, the City will use its NSP 1 funds for the construction/rehab of buildings as a public facility for Health and Wellness Centers in Wards 3 and 5. The Health and Wellness Centers will provide community-based and patient-focused comprehensive, culturally competent, high-quality primary health care services integrating access to pharmacy, mental health, substance abuse, and oral health services in areas where economic, geographic, or cultural barriers limit access to affordable health care services.

Also, NSP 1 funds may be used as gap financing for the construction of affordable housing units that will be rented or sold to households whose incomes are at or below 120% AMI.

## III. **Summary of Public Comments Received**