

CITY OF BOSTON

CDBG Neighborhood Stabilization Program (NSP-1)

Substantial Amendment #3 (Issued for Public Comment on 8/10/10)



**City of Boston
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**DEPARTMENT OF NEIGHBORHOOD DEVELOPMENT
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CITY OF BOSTON

NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): City of Boston , <i>(identify lead entity in case of joint agreements)</i> Jurisdiction Web Address: http://www.cityofboston.gov/dnd/pdr/Action_Plan.asp <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Robert Gehret, Deputy Director, Policy Development & Research Division Address: 26 Court Street, 8th floor, Boston, MA 02108 Telephone: 617-635-0242 Fax: 617-635-0383 Email: bgehret.dnd@cityofboston.gov
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Substantial Amendment #3 to the City of Boston's CDBG Neighborhood Stabilization Program (NSP-1)

The City of Boston's original Neighborhood Stabilization Program (NSP-1) application was submitted to the U.S. Department of Housing and Urban Development (HUD) on December 1, 2008, and approved on January 26, 2009. We amended the plan in April of 2009 and May of 2010, in response to additional resources received by the City, reallocating resources to program components receiving the greatest response to our Request for Proposals and in response to changes in market conditions and difficulties experienced by homebuyers trying to purchase properties under NSP rules.

At this time, the City of Boston is again amending the NSP-1 Plan in order to meet the September 8, 2010, deadline for having all funds obligated. A summary of the changes is below and a copy of the amended budget is on the following page.

As required by HUD, the City posted a draft of the NSP-1 Amendment #3 on its website for a 15-day public comment period beginning Tuesday, August 10, 2010, and ending Tuesday, August 24, 2010. In addition, on August 9, 2010, we published a Legal Notice in the Boston Globe newspaper of the opportunity to comment on the amendment and mailed a letter to the Consolidated Plan mailing list of approximately 500 interested parties. The City received one comment from a lending partner in support of continuing the homebuyer components.

Summary of NSP-1 Substantial Amendment #3

The City of Boston is making the following adjustments to the budget for its NSP-1 program in order to meet the September 8, 2010 deadline for having all funds obligated. Due to market conditions, the REO Purchase/Rehabilitation program is not committing its funds as quickly as originally anticipated. We are proposing to reallocate \$343,119 in unobligated funds originally budgeted for the Purchase Rehabilitation program to other NSP-1 projects or programs that have a need for additional funding and can commit the remaining funds in a timely manner. The REO Purchase/Rehabilitation program will continue to be funded under the City's NSP-2 program.

Program	Current Budget	Amendment #3	Amended Budget	% Change
REO Purchase/Rehabilitation	\$980,000	-\$343,119	\$636,881	-35.0%
REO Reclamation Fund: Turnkey Ownership	\$1,000,000	\$258,451	\$1,258,451	25.8%
REO Buyer Incentive	\$100,000	\$64,997	\$164,997	65.0%
REO Buyer Development/TA	\$66,500	\$14,352	\$80,852	21.6%
REO Reclamation Fund: Rental Housing	\$500,000	\$5,046	\$505,046	1.0%
REO Reclamation Fund: Supportive Housing (Very Low Income)	\$1,057,548	\$0	\$1,057,548	0.0%
Lank Bank Acquisition (Interim Property Management)	\$125,000	\$273	\$125,273	0.2%
Administration	\$401,143	\$0	\$401,143	0.0%
Total Grant	\$4,230,191	\$0	\$4,230,191	0.0%