



**Legislative Oversight Committee
August 24, 2011
Neighborhood Stabilization Program**

Background:

- Part of the Housing and Economic Recovery Act of 2008.
- MFA granted \$8.7 million of the \$19.6 million allocated to New Mexico.
- Funds are used to buy and rehabilitate foreclosed properties throughout New Mexico, excluding the cities of Albuquerque, Santa Fe and Las Cruces.
- Originally 10 counties, over time became mainly Sandoval County, with a few in Bernalillo County.
- Properties must be purchased for at least 1 percent (1%) below appraised value.
- Rehabilitation includes achievement of energy efficiency (HERS) ratings
- Homes sold to families with incomes at or below 120 percent of the area median income which is up to \$73,200 for a family of four in the Albuquerque area.
- NSP requires a twenty-five percent set-aside for families at or below 50 percent of the area median income, or \$30,500 for a family of four in Albuquerque.
 - Set-aside is being met by the purchase of a 22 unit apartment complex in Belen where all units will be 50% units
- For-profit and non-profit organizations have contracted with MFA to buy foreclosed homes

Current purchase and sale statistics:

Kaspia Group Inc. (Obligated \$4,787,862.80)

Purchased 25 foreclosed homes in Rio Rancho

1 foreclosed home under contract for purchase

Sold 21 of those homes to income eligible purchasers

1 offer from income eligible purchasers signed

YES Housing Inc. (Obligated \$3,627,510.40)

Purchased 16 foreclosed homes, 1 in Belen, 2 in Los Lunas, 13 in Rio Rancho

1 foreclosed home under contract for purchase

Sold 14 of those homes to income eligible purchasers

2 offers from income eligible purchasers signed

Bernalillo County Housing Department (Obligated \$993,248.29)

Purchased 5 foreclosed homes outside of city limits of Albuquerque

Sold 2 of those homes to income eligible purchasers

3 offers from income eligible purchasers signed

YES NSP La Hacienda (Obligated \$2,366,674)

22 unit rental projects, fully rehabilitated. Is rented to households whose income is at or below 50% of median income

Total NSP funds awarded: \$8,708,000.00

Total NSP funds allocated to admin: \$783,720.00

Total NSP funds allocated to Acquisition/Rehabilitation: \$7,924,280.00

Total NSP Acquisition/Rehabilitation funds obligated: \$11,775,295.56

Purchased/Pending Purchase: 48 homes, 22 rental units

Total Program Income received: \$4,248,461.74

Program Income projected within next year: \$2,900,000

Projected units to be purchased: 14