

STATE OF COLORADO NEIGHBORHOOD STABILIZATION PROGRAM 2

APPLICATION SUMMARY

This NSP2 Application is another significant step in the continuing efforts of the State of Colorado through the Division of Housing to convene, lead, and coordinate the State's response to the foreclosure crisis affecting so many areas of our state.

Neighborhoods in all parts of Colorado are facing the destabilizing impact of significant foreclosure and abandonment.

Just as a large city or county seeks to respond to the foreclosure crisis that strikes a variety of its neighborhoods, the State of Colorado has drawn together partners from various neighborhoods under the umbrella of this consolidated application for NSP2 funds. What unites the state and its partners in developing an overall stabilization program is the commitment to focus these vital resources to respond to the needs of distressed families seeking affordable housing as the basic building block of returning to success and prosperity in the new economy that Colorado is endeavoring to create.

Proposed Target Geography

Collectively, these communities have banded together to secure the resources needed to stem the negative impact of foreclosure and abandonment. The State's partners in this effort and the specific proposed stabilizing actions include:

Metro Target Areas

Denver

Denver's NSP 2 will target 18 census tracts with over 3,700 homes in foreclosure. On average, the foreclosure rate for these census tracts is nearly 18%. At least 150 housing units in foreclosure will be purchased, rehabilitated and sold to individuals or non-profit orgs. Denver will also provide second mortgages to enable homebuyers to purchase rehabilitated homes.

Estimated Cost

Acquisition – Rehabilitation \$7,500,000

Financing Mechanisms \$3,750,000

Englewood

The NSP2 Project will acquire 5 single-family, vacant, foreclosed properties that are located within four target census tracts in the City of Englewood. Each property will be improved to standard condition, including improvements to meet modern, green building and energy-efficiency work items along with Energy Star-labeled products. The properties will be sold to families with income at or below 120% of the area median income (AMI), with priority given to families at or below

50% AMI who are participating in local family self-sufficiency programs. Down payment assistance will be available to purchasers requiring such assistance.

Estimated Cost

Acquisition – Rehabilitation \$1,350,000

Financing Mechanisms \$50,000

Longmont

Longmont will target one 6 unit multi-family property that requires gut rehabilitation (or demolition). Acquisition, rehabilitation, and resale of 10 homes are also proposed. Estimates are that 3 will require minimal rehabilitation, 3 moderate rehabilitation and 4 needing substantial rehabilitation before being sold to income eligible households (up to 120 of area median).

Estimated Cost

Acquisition – Rehabilitation \$1,995,000

Other Front Range Urban Target Areas

Greeley

Funds will be used to acquire, rehabilitate and resell (or rent) approximately 18 foreclosed properties located in 6 census tracts with significant numbers of foreclosed property. The properties will be sold to eligible buyers. Funds may also be used to provide mortgage assistance on favorable terms to assist eligible purchasers.

Estimated Cost

Acquisition – Rehabilitation \$2,980,000

Financing Mechanisms \$50,000

Milliken

Funds will be used to acquire, rehabilitate and resell (or rent) approximately 6 foreclosed properties located in Milliken. The properties will be sold to eligible buyers. Funds may also be used to provide mortgage assistance on favorable terms to assist eligible purchasers.

Estimated Cost

Acquisition – Rehabilitation \$1,100,000

Financing Mechanisms \$25,000

El Paso County (Fountain)

Funds will be used to purchase six multi-family developments easily accessible to Fort Carson and other SE-area families, renovating them, and creating low- and middle-income family rental housing as well as job opportunities for our wounded warriors and disadvantaged individuals. These properties will be renovated over a three year period. After renovation, housing units will be rented to eligible families.

Estimated Cost

Acquisition – Rehabilitation \$29,000,000

Pueblo

Pueblo will undertake NSP2 funded activities in two target areas, referred to as the Southside (Bessemer) and Eastside neighborhoods. Proposed activities include the acquisition, rehabilitation and resale of 15 single family homes, and the redevelopment of 10 single family lots.

Estimated Cost

Acquisition – Rehabilitation \$1,100,000

Financing Mechanisms \$125,000

Redevelopment \$1,200,000

Pueblo County

Proposed activity involves acquisition, rehabilitation, and resale of approximately 6 foreclosed homes in the Pueblo West area where 3 census tracts show high foreclosure activity. Funds will also be available to provide down payment assistance to eligible buyers.

Estimated Cost

Acquisition – Rehabilitation \$936,000

Financing Mechanisms \$30,000

Rural Target Areas

Bent-Crowley-Otero County

This target area includes 9 census tracts with an average foreclosure/vacancy risk score of 18.67 (range 1-20 – average of 18 qualifies). Through Tri-County Housing, 12 units will be purchased, rehabilitated and resold to eligible families.

Estimated Cost

Acquisition – Rehabilitation \$1,320,000

Grand County

Funds will be used to acquire five to six abandoned/foreclosed properties in Grand Lake and deed restrict the units that will be available for re-sale to households meeting income levels at or below 120% of AMI. The anticipated average income range will be about 90% of AMI. Units that are acquired will reduce the number of vacant units that exist within the community and thereby help stabilize market demand.

Estimated Cost

Acquisition – Rehabilitation \$1,000,000

Walsenburg

Acquisition of 7 homes will be completed with 4 made available for rental through the local Housing Authority and 3 sold to income eligible buyers.

Estimated Cost

Acquisition – Rehabilitation \$1,365,000

Financing Mechanisms \$30,000

Proposed Use of NSP2 Funds - Budget Summary

ACTIVITY TYPE	BUDGET
Financing Mechanisms	\$4,060,000
Acquisition-Rehabilitation-Resale (Rent)	\$49,326,000
Land Bank	\$0
Demolition	\$0
Redevelopment	\$1,200,000
SUBTOTAL (90%)	\$54,586,000
Administration (State & Partners – 10%)	\$6,065,111
TOTAL	\$60,651,111

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Comment due date: July 8, 2009

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BUDGET SUMMARY

Target Area	Financing Mechanisms	Acq - Rehab	Land Bank	Demolition	Redevelopment	Local T
Denver	\$3,750,000	\$7,500,000				\$11,250,000
Englewood	\$50,000	\$1,350,000				\$1,400,000
Longmont		\$1,995,000				\$1,995,000
El Paso Co-Fountain		\$29,000,000				\$29,000,000
Greeley	\$50,000	\$2,980,000				\$3,030,000
Milliken	\$25,000	\$1,100,000				\$1,125,000
Pueblo	\$125,000	\$1,100,000			\$1,200,000	\$2,425,000
Pueblo County	\$30,000	\$936,000				\$966,000
Grand County		\$1,000,000				\$1,000,000
Tri-County		\$1,000,000				\$1,000,000
Walsenburg	\$30,000	\$1,365,000				\$1,395,000
Subtotal	\$4,060,000	\$49,326,000	\$0	\$0	\$1,200,000	
Combined Subtotal	\$54,586,000					
Administration	\$6,065,111					
Total	\$60,651,111					