INDIANAPOLIS RECEIVES $29 MILLION FROM THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO PREVENT ABANDONED HOUSING

INDIANAPOLIS – (September 26, 2008) U.S. Housing and Urban Development Secretary Steve Preston today announced a total of $3.92 billion will be distributed to all states and particularly hard-hit areas trying to respond to the effects of high foreclosures. Indianapolis will receive $29,051,059.

HUD’s new Neighborhood Stabilization Program (NSP) will provide targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities.

NSP grantees develop their own programs and funding priorities. However, NSP grantees must use at least 25 percent of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median income. In addition, all activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120 percent of area median income.

The deadline for an action plan is due December 1st, and the City is currently developing a process that will include extensive input from neighborhood groups and individual citizens.

“The abandoned housing problem in Indianapolis is a neighborhood problem,” commented Mayor Ballard. “That is why we are going to have a process for deciding how to spend this money that will involve neighborhood groups and citizens that are most affected by the abandoned housing problem.”

(more)
The Neighborhood Stabilization Program can help Indianapolis with its Abandoned Housing Initiative in several ways:

- To purchase and rehabilitate abandoned and foreclosed homes to be sold or rented.
- To demolish blighted structures.
- For counseling those who would benefit from using NSP funds.

Indianapolis is already ahead of the curve because the funds can also be used to establish a land bank which the City has already done.

Any rehab projects are also encouraged to use green or environmentally friendly building techniques and the City of Indianapolis already has pilot projects in at least two neighborhoods where affordable rehabbed homes for low to moderate income families have been made energy efficient. Several more are planned.