

PROJECT REBUILD

- Project Rebuild is designed to create jobs, stabilize neighborhoods, and reduce vacancy.
- Project Rebuild leverages the success of the Neighborhood Stabilization Program (NSP) while making critical changes to scale up, address commercial vacancies, and leverage capacity in the private sector.
- Project Rebuild proposes a \$15 billion allocation: \$10 B for formula allocation, \$5 B for competition

Project Rebuild: Scaling up Neighborhood Stabilization to Rebuild our Economy

- Project Rebuild will provide funding to purchase, rehabilitate, and/or redevelop foreclosed, abandoned, demolished, or vacant properties. Funding can also establish and operate land banks or demolish blighted structures.
- Project Rebuild will support an estimated 191,000 jobs and treat at least 150,000 properties across all 50 states.
- HUD will allocate formula funds within 30 days of Congressional enactment of Project Rebuild, complete the competition, and obligate all funds within 150 days of enactment. Grantees will have three years to spend 100 percent of funding. HUD will establish further benchmarks for expenditures at one year and two years.
- Formula funding will go directly to states and entitlement communities across the country. Competitive funds will be available to states, local governments, for-profit entities, non-profit entities and consortia of these entities.
- Strict standards of oversight will ensure good stewardship of these funds. HUD will strengthen existing accountability procedures by requiring that grantees have an internal auditor to continually monitor grantee performance to prevent fraud or abuse. Grantees will be required to provide quarterly progress reports and HUD will recapture funds from underperforming or mismanaged grantees to reallocate those funds to areas with greatest need.

Project Rebuild is the Next Generation of the Neighborhood Stabilization Program (NSP)

- Since 2008, HUD has disbursed nearly \$7 B through NSP in three separate rounds to mitigate the impacts of foreclosure.
- Project Rebuild will continue NSP's successes, but with important modifications. For example:
 - It broadens eligible uses to allow commercial projects and other job creating activities, capped at 30 percent.
 - Up to 10 percent of formula grants may be used for establishing and operating a jobs program to maintain eligible neighborhood properties.
 - Each state will receive a minimum of \$20 million of the \$10 billion in formula funds.
 - Beyond this baseline, funds will be targeted to areas with home foreclosures, homes in default or delinquency, and other factors determined by HUD, such as unemployment, commercial foreclosures, and other economic conditions.
- These funds will be used to employ or house low, moderate, or middle income individuals or families.

Neighborhood Stabilization Program: Building on a Track Record of Success

- NSP has a proven record of creating jobs, treating foreclosed homes, and stabilizing home prices.
- NSP was funded in three rounds to provide assistance to state and local governments to address the negative effects of abandoned and foreclosed housing:
 - NSP 1 – \$3.92 billion formula allocation to states and local governments in 2008
 - NSP 2 – \$2 billion in competitive funds to state and local governments, non-profits and consortia in 2009
 - NSP 3 – \$1 billion in formula funds to state and local governments in 2010
- This \$7 B of NSP will support an estimated 88,000 jobs by the time the funding is fully spent.
- Already, nearly 33,000 properties have been treated with NSP 1, 2, and 3. NSP is projected to:
 - Complete nearly 50,000 units of affordable housing
 - Provide homeownership assistance to more than 20,400 low-income households
 - Demolish 25,000 blighted properties in some of the hardest-hit neighborhoods
- Comparing communities with NSP investment to similar communities without NSP investment shows that most clustered investment areas did better than at least one of their comparable markets during the time period studied:
 - 67 percent saw better home sale price changes. (source: TRF using First American Core Logic)
 - 73 percent saw better vacancy rate improvements. (source: TRF using US Postal Service)
 - 47 percent saw better home sale and vacancy rate improvements. (source: TRF)