



Stabilizing Neighborhoods and Communities

It was starting to feel like homeownership was just out of reach when Jessie's REALTOR® told her about a program that might be able to help her purchase a home. She had been looking at houses with her parents, but everything they found in her price range required a lot of repairs; repairs that Jessie just couldn't afford. The program her REALTOR® was referring to is the Neighborhood Stabilization Program (NSP).

As part of the Housing and Economic Recovery Act, NSP funds were designated for the acquisition and rehabilitation of foreclosed properties. The funding allows grant recipients to purchase and redevelop homes and then resell them to eligible homebuyers. IHFA administers the NSP grant for the state of Idaho, and allocates funds to areas of greatest need across the state. Grant recipients are nonprofits and city municipalities who were selected through an application process. The North Idaho Housing Coalition (NIHC) in Coeur d'Alene manages the program for Kootenai County where Jessie lives.

When Jessie heard about the program, she immediately called NIHC and met with Executive Director Lori Isenberg. Jessie said, "Lori explained the program to me and went with me through every step of the process." NIHC has created a program around NSP that is really making a difference in the community. "We have created a team that works together to make the program succeed," said Isenberg. The team includes REALTORS®, lenders, title companies, contractors, elected officials, NIHC, and the homebuyers. Isenberg

added, "The NSP program benefits our communities on a number of levels. The neighbors love it because it transforms foreclosed properties into beautiful homes; it also allows qualified buyers to leave rentals and become homeowners, freeing up much needed rental properties for others; and benefits local businesses and workers by creating jobs and revenue."

Prequalified buyers work with NIHC to find a house in their price range, in an area they want to live in, or near the schools they prefer. NIHC purchases the home and contracts to have the rehabilitation work done. While every home is rehabbed to a consistent high standard, buyers are involved where appropriate. When the house is completed, NIHC, the contractor, and the buyers do a walk through. The contractor talks with them about home maintenance, such as changing furnace filters, and shows them what needs to be done and how to do it. "They really get an education," Isenberg said.

NIHC's program includes features to involve the buyers with the process and the community. They require \$1,000 from every buyer so that they have a vested interest in the purchase, and they have a "Deeds of Distinction" program, which requires all buyers to donate eight hours of community service to any organization of their choice. Many buyers have continued to do volunteer work after completing the required hours because they find they really enjoy giving back to the community.

Jessie said she was able to purchase a home that is perfect for her because of the NSP program. She explains,

"The funds covered my financing gap and closing costs, and brought my payment down to a monthly amount that fits in my budget."

Jessie was able to select the carpet and paint colors for her home, as well as work with the contractor on other aspects of the rehabilitation; she said that made it feel like buying a brand new home.

A few months after purchasing her home, Jessie was asked to join the NIHC Board of Directors. She was very excited at the opportunity and loves being on the board. She said she has learned a lot, and it has given her the opportunity to spread the word about the program.

“The board is made up of members with the same common goal of helping people; everyone cares so much about the community and people in it,”

she said. Jessie fits that description as well. She volunteers for Special Olympics year round, coaching several sports; and also volunteers at ‘Foster Kid’ camp through her church. “I really love working with children and want to help them succeed.”

NSP funds can be used to ‘fill the gap’ between the purchase price of the home and the mortgage the buyer is qualified for, as well as closing costs. When the homebuyer gets their own loan, the NSP funds are repaid and returned to the program for use in purchasing additional homes. The recycling of funds creates program income that allows partners to continue the process and meet the continuing need of stabilizing neighborhoods.

Throughout Idaho, NSP partners have expended over \$24 million; \$14 million in program funds and \$10 million in program income. NIHC has purchased and sold 29 homes through the program and has plans for at least 50 more. Statewide a total of 171 households have been able to purchase a home because of the NSP program. ■

Left and right: A team of North Idaho area professionals helped Jessie with the details of the home-buying process.

