

City of Chicago



Richard M. Daley, Mayor

City of Chicago Neighborhood Stabilization Program 2 Application
Public Notice

The City of Chicago is planning to submit an application for Neighborhood Stabilization Program 2 (NSP2) funds and invites comments from the public on its proposed activities and target geography.

Background

The City of Chicago proposes to utilize NSP2 funds to build on its NSP1 efforts, which are centered on the acquisition and rehabilitation of vacant, foreclosed residential properties in targeted community areas. The City will achieve economies of scale by utilizing the same management and monitoring infrastructure that is in place for NSP1 for its NSP2 activities. There are 25 community areas identified as areas of greatest need for NSP1. In an effort to bring as many resources to address vacant foreclosed homes to Chicago as possible, for NSP2, the City proposes to target funds in portions of 12 community areas that score the highest in regard to the criteria laid out in the NSP2 Notice of Funding Availability. Eight of these community areas are NSP1 areas of greatest need, and four of them are additions, totaling 29 community areas identified as targets for either NSP1 or NSP2 funding.

Proposed NSP2 Uses of Funds

- NSP-Eligible Use A: Establish financing mechanisms for purchase and redevelopment of vacant, foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers
- NSP-Eligible Use B: Purchase and rehabilitate vacant homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties
- NSP-Eligible Use D: Demolish vacant, blighted structures
- NSP-Eligible Use E: Redevelop demolished or vacant properties as housing
- General program administration

Proposed NSP2 Target Geography

In determining the community areas for its proposed target geography, the City of Chicago utilized the following criteria, which are based on the priorities outlined by the U.S. Department of Housing and Urban Development in the NSP2 Notice of Funding Availability, to ensure that its proposal is as competitive as possible:

- Need for Public Sector Intervention/Lack of Private Investment Activity. NSP2 resources will be targeted to areas that need government intervention for real estate recovery, rather than areas where the private marketplace is likely to absorb vacant units as the economy recovers from the current recession and real estate activity increases.
- Comprehensive Approach Based on an Established Plan. Selected communities must have an established, comprehensive plan which was developed via a structured planning effort with formal community involvement and which NSP2 activities can build upon to strengthen and stabilize the community.
- Capacity. Community partners and developers must be actively engaged in efforts to implement the community plan through a range of community development and neighborhood stabilization initiatives.
- Protecting Capital Investments. Foreclosures are threatening public and private neighborhood investments that have been made over the past decade. Communities that had experienced years of disinvestment began to enjoy a rebirth as thriving communities. In selected communities, NSP2 will build upon recent and planned investments and community anchors to protect them and continue this momentum.

Based on these criteria, the City of Chicago proposes to invest NSP2 funds in portions of the following community areas:

- Albany Park
- Chicago Lawn
- Englewood
- Grand Boulevard
- Greater Grand Crossing
- Hermosa
- Humboldt Park
- Logan Square
- South Chicago
- South Lawndale
- Washington Park
- Woodlawn

Public comments will be accepted in writing from July 2-July 12, 2009. Comments should be sent to:

Katie Ludwig
 City of Chicago Department of Community Development
 121 N. LaSalle, Room 1003
 Chicago, IL 60602
katie.ludwig@cityofchicago.org

(Note: If sending an email, please state “NSP2 Public Comment” in the subject line.)

If you have questions, please contact the Department of Community Development at (312) 744-0268.