



NEWS

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

FOR IMMEDIATE RELEASE
May 12, 2010

Contact: Gordon Anderson 512.475.4743
Jill McFarren 512.475.2844

State housing agency awards \$1 million to help stabilize neighborhoods in Llano County

(AUSTIN) — The Texas Department of Housing and Community Affairs (TDHCA) today announced that it has awarded a major federal grant to a local nonprofit housing organization designed to help provide affordable rental housing while helping communities remain vibrant.

TDHCA awarded \$1 million to the Grand Central Texas Development Corporation, which the organization will use to acquire 57 foreclosed single-family and/or multifamily residential properties to create affordable rental opportunities for qualifying low income resident of Llano County. The award was one of three totaling \$5.1 million through a supplemental allocation of funds from the Department's Neighborhood Stabilization Program (NSP), an innovative grant program originating through the federal Housing and Economic Recovery Act of 2008.

"TDHCA is committed to helping neighborhoods across Texas mitigate rising foreclosure rates and stop the long slide toward blight," said Michael Gerber, TDHCA Executive Director. "We are confident that this award will successfully stabilize property values and restore the local tax base, while providing numerous benefits to the local construction industry. It is innovative collaborations like this that will help place distressed communities on the path to recovery."

NSP is designed to help cities, counties, and eligible nonprofit organizations acquire and/or redevelop foreclosed properties that might otherwise become sources of abandonment and blight. NSP provides funds to purchase foreclosed or abandoned homes and to rehabilitate or redevelop these homes to serve low to moderate households, helping to stabilize neighborhoods and stem the decline of house values of neighboring homes.

Texas last year received approximately \$173 million in NSP funds from the U.S. Department of Housing and Urban Development (HUD). Approximately \$71 million of this total was made by HUD as a direct allocation to 14 cities and counties with the greatest needs. TDHCA, together with the Office of Rural Community Affairs, administered the remaining \$102 million.

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221 E. 11TH • AUSTIN, TEXAS 78701 • (800) 525-0657 • (512) 475-3800

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Today's award was comprised of funds recaptured by TDHCA from the original awards and reallocated to qualifying applicants. Recapture funds include awards returned voluntarily by recipients and funds deobligated from one multifamily project that was unable to fully budget all awarded funds due underwriting concerns.

Eligible activities include the demolition or removal of blighted structures; financing mechanisms for the purchase of foreclosed, abandoned, or redeveloped homes; the acquisition of such homes for sale or rent to income eligible households; the rehabilitation of homes and residential units; and the management and disposition of vacant land through land banks to revitalize neighborhoods.

While HUD rules allow NSP funds to target a range of low to moderate household incomes, applicants will be required to set a goal of expending at least 35 percent of their award assisting households at or below 50 percent of area median income. However, this goal may vary by area and activity.

For Llano County, this is equal to an annual income of \$25,400 for a family of four.

About The Texas Department of Housing and Community Affairs

The Texas Department of Housing and Community Affairs is the state agency responsible for affordable housing, community services, energy assistance, colonia housing programs, and disaster recovery housing programs. It currently administers over \$2 billion through for-profit, nonprofit, and local government partnerships to deliver local housing and community-based opportunities and assistance to Texans in need.