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FROM: Chicago Rehab Network

DATE: November 21, 2008

RE: Public Comment on Neighborhood Stabilization Program Substantial Amendment

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We appreciate the opportunity to comment on IDHS's Substantial Amendment to the 2008 Action Plan for the Neighborhood Stabilization Program.

Several key areas of this draft Substantial Amendment are noteworthy. The State of Illinois is to be commended for recognizing existing systems and vehicles for delivering outcomes towards the NSP goals. Allowing for local applicants for NSP funds will leverage existing capacity and current entitlement grantees to lead efforts on a local basis.

The application criteria established should include some level of prioritization for nonprofit organizations over for profit developers. While there are many prudent reasons to do so, perhaps the most timely rationale is one of preservation. Nonprofits are more likely to be long-term stewards of housing that is affordable. Beyond the affordability terms and reuse restrictions – nonprofits will take leadership to restructure these properties to avoid displacement of residents. New policies and resources should learn lessons from the project-based Section 8 expiration guidelines which did not set ownership priorities to assure long term affordability.

We support the State's goal to increase the funds targeted at households below 50% of area median income to 40% of all NSP funds from the minimum requirement of 25%. This extension of HUDs minimum requirement responds to the reality of housing need/demand in Illinois. CRN recommends that the State accept and consider applications for funds proposing mutual housing/shared equity models for this income group. The State should also accept and consider applications for lease to purchase models.

- Carve out of other state funding programs to ensure availability for layering nsp funds.
- Ta/training needed
- Acquisition issues
- Bulk purchases may be possible from services/banks ---however the assets will not likely be located in a organized footprint. It is unlikely with federal legislation to compel.....Nor will a coordinating database be created within the timeline that can improve on the existing systems.

