



# **Chester County Neighborhood Stabilization Program (NSP)**

**Department of Community Development  
2011 Year-End Summary**

November 2011

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## **Introduction**

The Chester County Neighborhood Stabilization Program is designed to meet the Commonwealth's challenge to make neighborhoods more stable and to comprehensively address neighborhood sustainability, competitiveness, and community integration. Chester County seeks to promote neighborhood stabilization by identifying and building from community strengths and secured community investments, while working within the guidelines of the U.S. Department of Housing and Urban Development (HUD) and recognizing the value of The Reinvestment Fund's middle-market analysis.

Data collected throughout the county shows that the City of Coatesville is a high risk area for mortgage endangerment, foreclosure and property abandonment. The Department of Housing and Urban Development's Risk Score assessment gives Coatesville City a score of nine out of ten. The Home Mortgage Disclosure Act shows that Coatesville recently reported a mortgage endangerment increase from 33.59% between 2004 and 2006 to now reflect a 43.18% endangerment rating. To address this issue, NSP emergency redevelopment assistance funds have been mainly allocated to this city.

The program is currently active and is working to comprehensively address neighborhood sustainability and competitiveness through the acquisition, rehabilitation and resale of foreclosed and abandoned properties. The properties are available to citizens to promote community integrity and home buying in this high-risk city.

## **Neighborhood Stabilization Program – Home Acquisition, Rehabilitation and Resale**

The NSP is grounded in the acquisition, rehabilitation and reselling of foreclosed and abandoned properties to qualified homebuyers.

Only homes that have been foreclosed upon or abandoned for at least 90 days will be eligible to be purchased for the NSP program. Also, the properties must be purchased from the mortgage holder with at least a one percent discount rate to meet federal regulations. Homebuyers must meet the Median Family Income (MFI) eligibility levels of the Philadelphia Metropolitan Statistical Area which is set up by HUD and are subject to change on an annual basis. Individuals or families that are currently at or below the 50% MFI rate are invited to apply for potential qualification in the NSP as funding regulations have dedicated some of the NSP funds to serve only citizens that fall within this income sector. Funding for individual or family participation in this program is considered up to the 120% MFI rate.

To best inform the public of this initiative, educational brochures were created and updated by the NSP Intern. The brochure included: background and participation information on the Neighborhood Stabilization Program, MFI limits for program eligibility, contact information for the Acquisition Coordinator and Developer, as well as information on the Stable Family Program of Chester County and the Foreclosure Prevention Counseling Program that is currently being provided by the Housing Counselor, CCCSDV.

## Neighborhood Stabilization Program – Homes & Rehabilitation



*907 Boundary Court, Coatesville, PA 19320:* A single family row-home, this property was foreclosed upon by the mortgage holder. Complete with a local playground and recreation area, this is a family-friendly location ready to be lived in and enjoyed. The entry opens up into the living room area and leads into the kitchen and dining room area. With lovely cabinetry and new appliances, Boundary Court was one of the first properties to be resold after rehabilitation.

Date Sold: July 19, 2010

Sale Price: \$89,900

Demographics: <120% Area Median Income

Program Income: N/A



*409 Community Lane, Coatesville, PA 19320:* Sitting atop the hill in Coatesville City, almost in the same development as the Cambria homes but is separate from the Cambria Homes development mentioned in the next section of this summary. Community Lane is another foreclosed upon home. Featuring a small living room space that leads back into the dining room and kitchen, this property gives the owner a lovely view of the entire City of Coatesville with three bedrooms, two bathrooms, and a single-car garage.

Date Sold: October 11, 2011

Sale Price: \$153,000

Demographics: <80% Area Median Income

Program Income: \$34,559.95



*536 Elm Street, Coatesville, PA 19320:* One of the first homes purchased into the NSP, initially requiring the most work to make it habitable. The first floor features a large living room area and kitchen that offers access into the backyard. The second floor has two bedrooms and a bathroom, while the third floor has space for an optional third bedroom and office.

Date Sold: December 28, 2010

Sale Price: \$82,000

Demographics: <50% Area Median Income

Program Income: \$41,601.00



*225 Slack Drive, Coatesville, PA 19320:* A spacious single family home. The entry opens into a large living room that leads into the dining room and kitchen area. With three bedrooms, two bathrooms, in-home office space, and a two-car garage, this home clearly has potential for citizens willing to settle down in the City of Coatesville.

Date Sold: October 28, 2010

Sale Price: \$162,000

Demographics: >50% AREA Median Income

Program Income: \$93,068.76



*901 Poplar Street, Coatesville, PA 19320:* Similar to the Slack Drive property, Poplar was purchased by the Developer/Owner, the CYWA, which also completed the rehabilitation work. Reports showed water damage on the lower floors of the property, but Poplar also boasts a lovely interior. The kitchen, complete with granite countertops and a spacious eating area lead into the living area of the dwelling.

Date Sold: July 15, 2011

Sale Price: \$146,000

Demographics: >120% AREA Median Income

Program Income: \$70,710.91

## Neighborhood Stabilization Program – Cambria Homes Acquisition



Owner/Developer of this project.



All potential buyers for Cambria housing must comply with the aforementioned NSP guidelines, including the counseling and median family income rates. To cut some of the costs for the homes, the buyers can participate in Habitat’s “sweat-equity” program, whereby they can commit hours of work, their children’s academic performance and other factors to the establishment of their future home. To-date, 6 NSP homes have gone through settlement by new homeowners.



As of November 2011, 6 of the eight 8 “New Construction” homes have been constructed and sold before the March 19, 2013 deadline, as stipulated in the NSP contract. The remaining 2 properties are underway and the closings are scheduled for June 2012. Per NSP contract, DCD provided actual construction financing for the first 6 homes. Habitat expects to issue the final invoice to DCD before the conclusion of the 2011 calendar year. Once DCD receives the Final Habitat invoice, this will be the last incurred cost for the NSP Contract, per the Construction Team.



The remaining NSP oversight will be the “Land Banking” documents needed for the remaining 37 properties which have a contract end date of December 31, 2017. The DCD oversight for these 37 properties is to maintain and receive the homebuyer documents for each property. There is a file set in the NSP drawer for the homebuyer file info in DCD’s Central File.