

**STATEMENT OF  
CONGRESSWOMAN LAURA RICHARDSON OF CALIFORNIA**

**IN SUPPORT OF RICHARDSON AMENDMENT  
TO H.R. 861  
NEIGHBORHOOD STABILIZATION PROGRAM  
TERMINATION ACT**

**BEFORE THE COMMITTEE ON RULES**

March 15, 2011

Mr. Chairman and Members of the Committee:

Thank you for allowing to me to speak in support of the **RICHARDSON AMENDMENT** to H.R. 861, the Neighborhood Stabilization Program (NSP) Termination Act, a program that was urgently needed when it was established and when it was funded through the Recovery Act and is still needed today.

**The RICHARDSON AMENDMENT is simple, straightforward, and necessary.** Simply put, the RICHARDSON Amendment amends H.R. 861 to provide for the termination of the NSP program but does so in a reasonable and responsible way. My amendment makes the program termination date the sooner of the following:

- (1) 5 years from the date of enactment (of H.R. 861); or
- (2) the date when the national average of underwater mortgages on 1- to 4-family residential properties is 10 percent or less and the percentage of underwater mortgages relating to such properties in the state with the highest percentage of underwater residential properties is 15 percent or less.

NSP was established to help stabilize communities that have suffered from foreclosures and abandonment through the purchase and redevelopment of foreclosed and abandoned homes and residential properties.

The most current data available (3d Quarter of 2010) reported by CoreLogic, a leading provider of mortgage information, indicates that of the nation's 47.8 million residential mortgages, approximately 10.8 million, or 22.5 percent, are "underwater," or in a negative equity state.

*In Nevada, the percentage is 67%, in Arizona it is 48.6%, in Florida it is 45.5%, and in my home state of California it is 31.6 percent!*

This is down slightly from the 11.0 million and 23 percent reported in the second quarter of 2010, not because of an increase in home values but due primarily to the foreclosures of severely negative equity properties.

***I ask unanimous consent to include in the record a chart indicating the unwater mortgage percentages for each state in the nation. Thank you.***

Now, clearly the housing crisis is far from over and anyone who thinks we have stabilized our neighborhoods is living in a dream world, not the real world that constituents experience every day.

**So now is not the time to terminate the NSP.** Instead, it should be phased out gradually, when it has served its purpose; but only after it has served its purpose.

I offer the **RICHARDSON AMENDMENT** because NSP grants provide critical assistance to state and local governments and non-profit developers that collaborate to:

- to acquire foreclosed or abandoned property;
- to demolish or rehabilitate acquired or blighted properties; and/or
- to establish financing mechanisms such as down-payment and closing cost assistance to low- to middle-income homebuyers.

NSP grantees must use at least 25% of the funds appropriated to house individuals or families whose incomes do not exceed 50% of the area median income. All activities funded by NSP must benefit low- and moderate-income persons whose income does not exceed 120% of the area median income.

**NSP funds are helping to redevelop hard-hit communities, create jobs, and grow local economies. Consider the following:**

- (1) From the total NSP appropriation of \$7 billion, HUD estimates that 100,000 properties in the hardest-hit areas will benefit;
- (2) NSP grantees report that more than 36,000 properties are either under construction or rehabilitation;
- (3) more than 9,700 blighted properties have been demolished or cleared;
- (4) HUD estimates that NSP will support 93,000 jobs nationwide;
- (5) as of December 2010, grantees have produced more than 5,300 households in rehabilitated or newly constructed units; and
- (6) over 6,000 households have received direct homeownership assistance to acquire formerly foreclosed or abandoned properties.

The Neighborhood Stabilization Program is working in my congressional district. My local government officials and housing advocates tell me, and I have observed first-hand, that funding provided by NSP is helping to rehabilitate abandoned housing and to revitalize neighborhoods in Long Beach and Compton and the City of Carson.

Given the impact and need for Neighborhood Stabilization Program, it is little wonder that it is strongly supported by so many of the nation's leading local government, housing, and non-profit organizations, including:

- National Association of Counties
- National League of Cities
- U.S. Conference of Mayors
- National NeighborWorks Association
- National Association for County Community and Economic Development
- Habitat for Humanity International.

*For these reasons, I urge the Rules Committee to make the **RICHARDSON AMENDMENT** in order. Thank you.*

## **NATIONAL, STATE, AND LOCAL ORGANIZATIONS SUPPORTING NEIGHBORHOOD STABILIZATION PROGRAM**

- (1) National Association of Counties
- (2) National League of Cities
- (3) U.S. Conference of Mayors
- (4) National NeighborWorks Association,
- (5) National Association for County Community and Economic Development
- (6) Council of State Community Development Agencies
- (7) National Community Development Association
- (8) Association for Neighborhood and Housing Development
  
- (9) Arizona Foreclosure Prevention Task Force
- (10) Atlanta Neighborhood Development Partnership, Inc.
- (11) Center for Community Progress
- (12) Center for New York City Neighborhoods
- (13) Citizens' Housing and Planning Association
- (14) City of Chicago Department of Housing and Economic Development
- (15) City of Newark
- (16) Columbus Housing Partnership
- (17) Council of State Community Development Agencies
- (18) Cypress Hills Local Development Corporation
- (19) Detroit Office of Foreclosure Prevention and Response
- (20) Diamond State Community Land Trust
- (21) Enterprise Community Partners
- (22) Habitat for Humanity International
- (23) Healthy Neighborhoods, Inc.
- (24) HousingWorks (Rhode Island)
- (25) Greater Rochester Housing Partnership
- (26) Local Initiatives Support Corporation
- (27) Louisiana Housing Alliance
- (28) Massachusetts Housing Partnership
- (29) Mercy Housing
  
- (30) National Association of Housing and Redevelopment Officials
- (31) National Community Land Trust Network
- (32) National Community Reinvestment Coalition
- (33) National Community Stabilization Trust
- (34) National Council of State Housing Agencies
- (35) National Housing Conference

- (36) National Housing Institute
- (37) National Law Center on Homelessness & Poverty
- (38) National NeighborWorks Association
  
- (39) Neighborhood Housing Services of Phoenix, Inc
- (40) Neighborhood Housing Services of South Florida
- (41) New York Mortgage Coalition
- (42) Northfield Community LDC of Staten Island, Inc.
- (43) Omni New York, LLC.
- (44) PolicyLink
- (45) Rebuilding Together
- (46) Restoring Urban Neighborhoods, LLC
- (47) RISE, America!
- (48) Smart Growth America
- (49) St. Ambrose Housing Aid Center
- (50) Stewards for Affordable Housing for the Future
- (51) The Community Builders, Inc.
- (52) The Housing Partnership Network
- (53) The Wisconsin Partnership for Housing Development, Inc.
- (54) Urban Housing Solutions, Inc.