

## Implementing ARRA Design Snapshot

# Youngstown Region Collaborates on NSP2: Taking a Multi-jurisdictional Approach to Recovery Priorities

October 2009

The NSP2 opportunity in ARRA motivated nine cities of the greater Youngstown area to submit one joint \$32.4 million application to address the region’s challenges with foreclosures and vacant and abandoned properties. To stabilize and revitalize targeted neighborhood and produce long-running community and economic benefits, the shared plan proposes to enlist a cross-sector of different organizations to support a range of solutions, including regional land banking, targeted demolition/deconstruction, acquisition and rehab of single family homes, redevelopment of vacant land, and affordable financing for homebuyers.

Youngstown Region Collaborates on NSP2	
<b>Purpose:</b>	To support ongoing neighborhood stabilization efforts in the region through increased homebuying assistance and expanded acquisition, rehab, redevelopment, and land banking of foreclosed and abandoned properties
<b>Lead entity:</b>	Youngstown Community Development Agency
<b>Partners:</b>	City and county governments, housing nonprofits, banks,
<b>ARRA focus:</b>	Neighborhood Stabilization Program 2
<b>Scale:</b>	Nine-city region
<b>Strategies:</b>	Adopts multi-jurisdictional and multi-sectoral approaches; catalyzes market and private investment;
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The joint application submitted by Youngstown and eight neighboring cities for the second round of the Neighborhood Stabilization Program (NSP2) funded through the American Recovery and Reinvestment Act (ARRA) represents an unprecedented level of multi-jurisdictional collaboration for this region. While the nine cities—Lowellville, Struthers, Campbell, Youngtown, Girard, McDonald, Niles, Warren, and Newton Falls—had formed the Mahoning River Corridor Mayor’s Association in 2007 to share ideas, the new initiative is the first time that these jurisdictions have taken action in concert to pursue common goals for urban revitalization and redevelopment.

The Mahoning River cities’ regional NSP2 application requests \$32.4 million to conduct a range of seven different activities from land banking and demolition to acquisition, rehab, and affordable financing that align with ongoing neighborhood stabilization and community development efforts throughout the region.

Individual jurisdictions will likely not participate equally in each one. While in earlier times that dynamic may have caused contention over “getting a fair share”, the distress of the current moment, motivated

agreement among all the applicants that maximizing regional benefit trumps the self-interest of individual jurisdictions.

Spread across both Mahoning and Trumbull Counties, the nine participating cities face common challenges with the current home mortgage and foreclosure crisis, which comes on top of longer running trends in industrial decline, population loss, and suburban sprawl. Over 42 percent of all mortgage loans made across the cities between 2004 and 2006 were considered subprime, and overall, the cities average an 11.2 percent foreclosure rate. When Youngstown—which suffers from the highest subprime lending rate in Ohio a foreclosure rate more than double the state average—began considering the NSP2 opportunity on its own, it decided to invite the other Mahoning River cities to participate jointly in response to the application to better address these cross-jurisdictional issues. To make NSP2 participation as easy as possible for the other jurisdictions, which may struggle from a lack of capacity, Youngstown’s Community Development Agency (CDA)—which has the region’s greatest expertise in neighborhood stabilization and serves as the lead program applicant—developed a survey to take stock of each cities’ needs and priorities, and then packaged all the information into one proposal.

In addition to CDA, a wide-ranging cross-section of at least 20 different institutions is committed to collaborating on potential NSP2 implementation. For each proposed NSP2 activity and goal, the regional application identifies the organizations best positioned to deliver the needed services or programs. For example, each city will be responsible for operating its own demolition/deconstruction programs accordance with local goals that call for the removal of a total of 1,603 blighted structures within targeted areas. Youngstown, in particular, hopes that a focus on deconstruction—the careful recovery of homebuilding materials for reuse or remanufacturing—could spur a local green-friendly industry, adding another dimension to the community benefits of NSP2-related activities. The recovered materials would reduce dependency on landfills, help preserve forests, and could be value-added to local manufacturing enterprises. And, with supportive economic and workforce development strategies, this sector could provide new small business job growth and opportunities for worker training in the basic tools and skills used in the building trades

Other organizations involved in the acquisition, rehabilitation, and redevelopment of foreclosed and abandoned properties for affordable rental and homeownership opportunities include the public housing authorities of Trumbull County and the city of Youngstown (the largest urban center of Mahoning County), Habitat for Humanity, and several area nonprofit housing development agencies that would bid through a competitive process if the grant proposal succeeds. In total, the regional strategy aims to return to the market 82 homes as affordable homeownership and 88 properties as low-income rental units. Mortgage down-payment assistance, accompanied by appropriate financial counseling, would be provided by the cities of Youngstown and Warren (the largest urban center in Trumbull County). And regional land banking would be conducted primarily by Lien Forward Ohio, a regional council of governments that would work with existing land bank efforts in the cities of Youngstown, Warren, Struthers, and Campbell to assemble title, hold, and plan for the productive reuse of roughly 1,000 targeted properties.

The Mahoning River cities’ NSP2 proposal also intends to draw in philanthropic and private sector investment to advance neighborhood stabilization activities within the region. The Wean Foundation, for example, will provide \$2.7 million to help NSP2 better serve economically disadvantaged people and neighborhoods. And, two area banks will provide a total of approximately \$8 million to support NSP2 construction financing, with a small portion (\$75,000) made available for down payment assistance. All told this regional NSP2 strategy would leverage over \$47.5 million in funds and in-kind resources from regional partners already focused on supporting neighborhood stabilization processes.

## **The Implementing ARRA Series**

America's current economic crisis is not only a national crisis. It is also a metropolitan crisis. Therefore, it is critical to monitor the progress of creative metropolitan leaders who are leveraging the myriad resources provided by the \$787 billion American Recovery and Reinvestment Act of 2009 (ARRA). To that end, the Metropolitan Policy Program's Implementing ARRA Series is tracking the implementation work of metropolitan leaders, assessing their progress and struggles, and extracting from the innovators' experiences ideas for short- and long-term federal policy reforms. Ultimately it is hoped the series will serve as a resource for best-practice exchange among regions and a source of ideas for designing the next generation of metro-friendly federal policies.

### **For More Information**

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