

Neighborhood Stabilization Program Forum Notes

Need

- The City of New London has the 3rd highest rate of bank-owned property in the state.
- New London ranks 6th in the percent of high cost loans
- New London is ranked as the 6th most distressed community in Connecticut
- Nearly 8.5% of all loans are delinquent by 30 days or more, leading to the probability of a significant increase in foreclosures in the coming months.
- A half-mile radius surrounding Belden and West Coit Streets in New London has significant foreclosures, with at least 51 bank-owned properties. This area is New London's target neighborhood for the Neighborhood Stabilization Program.

Current Efforts – Investments we need to protect

- House New London, a coalition of non-profit developers, has rehabilitated 21 homes in this half-mile area. Prior to the rehabilitation, the appraised value of these homes was \$1.76M, and the estimated appraised value upon completion is \$3.93M, more than doubling the values.
- Habitat for Humanity has rehabilitated five single-family homes in the target area that bring in approximately \$160,000 in tax dollars over ten years.
- We need to protect the investments in this neighborhood.

Plan to Move Forward

- The City of New London has already submitted a comprehensive plan to DECD addressing all of the requirements for NSP funding.
 - The plan includes:
 - The identification of a hard-hit neighborhood;
 - A demonstrated capacity and readiness to execute;
 - A strong partnership including six non-profit developers; and
 - A demonstrated commitment to leverage matching funds.
- The City of New London has committed \$250,000 in cash to match NSP funds
- The non-profit partners have committed to leveraging additional funds to ensure there are adequate funds to have an impact on the community.