ABSTRACT

RESEARCH PAPER: The Neighborhood Stabilization Program: Is it Really Stabilizing the Neighborhoods

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This research paper explores the effectiveness of the Neighborhood Stabilization Program (NSP) in three Indiana communities: New Albany, Muncie, and Fort Wayne. The Housing and Economic Recovery Act (HERA) to help homes and communities that were adversely affected by the housing crisis by providing monetary funds and technical assistance. Since its creation, two additional rounds of funding have been added. The NSP allocated a total of $6.15 billion in federal tax dollars to the 50 United States and five U.S. Territories. Was this money successful in its purpose?

The NSP has certain eligible uses, which grantees can allocate the funds to, but it is up to the grantee to create an NSP plan, allocate appropriate amounts of funding to the eligible uses and administer the funding. All three grantees studied used the funding for the eligible uses permitted for the program, but administered them in different ways, and yielded different results. This research paper determined that the NSP has the potential to be successful, if a number of criteria are met.