



Sunset Caucus

Waste Action Alert

*A publication of the RSC Sunset Caucus from co-chairs Kevin Brady (R-TX) and Jason Chaffetz (R-UT)
Rep. Tom Price (R-GA), RSC Chairman*

Eliminate the Neighborhood Stabilization Program

April 28, 2010

Program or Item Targeted: The Neighborhood Stabilization Program (NSP)

Cost of Program or Item: Total funding for the program amounts to \$5.9 billion since FY 2008.

Background on Program or Item to Be Sunseted: The NSP is managed through HUD and provides grants to states, localities, and non-profits to purchase foreclosed and abandoned homes. These grants are provided on a formula basis through the Community Development Block Grant (CDBG).

Why This Program or Item Is Wasteful: The NSP is a component of the CDBG, which has been found by the [OMB](#) to be ineffective, and not performing. The OMB states that “the multiple purposes and broad program scope create ambiguity.” The OMB goes on to say that the program lacks transparent information on results and that “there are no established community or national outcome indicators,” and that “funds are not targeted to places with the greatest needs.” The requirements set by the NSP “allow grantees to spread resources thinly, thereby decreasing the impact on economies of distressed communities.” In addition, many conservatives might argue that this is more appropriately a responsibility of the state or local governments.

Legislative Steps Taken So Far: Rep. Hensarling offered an amendment to the FY 2010 Transportation, Housing and Urban Development Appropriations bill, H.R. 3288, that would have prohibited funding to the Neighborhood Stabilization Program. This amendment was not made in order as part of the Democrat majority’s unprecedented restriction on the ability of the minority of offer amendments in the appropriations process.

If you would like to participate in eliminating wasteful programs with the RSC Sunset Caucus, please e-mail brad.watson@mail.house.gov.

If you have a bill or amendment to highlight in the next Waste Action Alert please contact ryan.tronovitch@mail.house.gov.

Note: Not every item featured in the Waste Action Alerts is necessarily endorsed by the RSC. These Alerts highlight the individual initiatives of members of the RSC Sunset Caucus.

*“The RSC Sunset Caucus uncovers government waste and seeks to eliminate it,
working to sunset programs that taxpayers shouldn’t be paying for.”*

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