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### Challenges of NSP2

- Activities must be eligible, meet national objective & tie to approved application
- 25% of funds must serve households  $\leq 50\%$  median
- Purchase and rehabilitate or demolish at least 100 homes
- Must expend 50% in 2 years (Feb 2012) and 100% in 3 years (Feb 2013)
  - Starts with HUD signing of grant agreement

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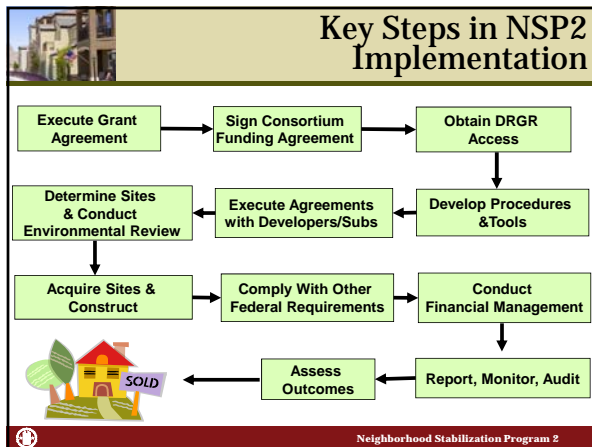
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### Scope of Application

- Applications funded below request
- National consortium state by state amount



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### Grant Agreement

- Between HUD and grantee
- Sets out key legal terms and conditions of grant
- Will be signed by HUD no later than 2/16 and likely on 2/11
- Must be counter-signed by lead official from grantee
  - For consortia = official from lead entity



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### Consortium Funding Agreement

- Two party agreement between lead entity and each consortium member
- Describes what each entity will do to carry out grant program
- CFA template is available from HUD.gov/nsp (guidance, not mandatory)
- Due date: 4/10



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## DRGR Access

- Disaster Grant Recovery System (DRGR) used to:
  - Set up activities
  - Draw funds
  - Report progress
- Must set up account before can access system functions
- DRGR will provide data & tools for tracking program progress
- *Attend workshop in Conference Theater room*



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## Policies, Procedures, Tools

- Should implement written procedures for managing NSP2 grant, such as:
  - How will track/report program income
  - How will do affirmative marketing
  - How will document and track affordability periods
- Some policies/procedures are required (procurement, COI, URA, etc); some are needed for effective functioning of grantee's program
- No need to start from scratch – many can be borrowed from CDBG, HOME
  - Program in a Box coming soon under NSP TA
- *Attend discussion session in Washington A at 2:15*



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## Agreements with Developers, Subrecipients, Partners

- Not required to competitively procure subs or developers
- Must procure contractors providing goods & services
  - Follow Part 85 (government) or part 84 (nonprofits)
- Must execute written agreements with all partners
  - See CDBG regs for requirements and Subrecipient guidebook for sample



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## Select Sites & Environmental Review

- Target areas were identified in application
- Once possible site determined, must conduct environmental review **before** execute final purchase agreement
  - Conditional contracts are OK for single family units
  - Tiering also allowed
  - If grantee = public agency, it does clearance (Part 58)
  - If grantee = nonprofit, HUD does clearance (Part 50)
- *Attend workshop on environmental review in Tidewater I & II room*



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## Acquisition & Construction

- Once environmental clearance is provided, can acquire site
- Wide range of construction-related activities possible:
  - Rehabilitation
  - New construction
  - Reconstruction
  - Demolition (limited)
- Ensure that final units meet local codes & standards; consider "green" improvements
  - Conduct inspections to document final housing quality
- *Attend discussion session on acquiring FHA sites in Washington A room at 9:45 & 11:00*



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## Other Federal Requirements

- Range of other federal requirements apply to NSP2:
  - Davis Bacon & other labor standards (certain types of projects)
  - Fair Housing and Equal Opportunity
  - Section 3
  - Lead-Based Paint
  - URA acquisition rules & possibly relocation rules
  - Tenant Protections
- Requirements triggered throughout life of NSP project
- *Attend workshop in Washington B room*



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## Financial Management

- Must have effective financial management systems in place in order to ensure:
  - Eligible costs
  - Cost reasonableness
  - Costs correctly allocated to NSP2 grant
  - Program income tracked and reported
  - Program audits conducted
- DRGR system used to report expenditures to HUD but grantee must also have own procedures & file documentation
- *Attend workshop in Potomac I & II room*



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## Report, Monitor, Audit

- Several reports required for NSP2 grantees:
  - Quarterly Performance Report (QPR) done through DRGR
  - Federal Reporting.gov submitted quarterly – relates to jobs and spending
  - RAMPS reporting required for environmental reviews
- Lead entity must monitor self (internal audit) plus all subcontractors and partners
- *Attend workshop in Kennedy room*



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## Determine Outcome of NSP2

- Short-term goals:
  - Arrest decline in home values in target geography
  - Reduce or eliminate vacant and abandoned property in target geography
- Long-term goals:
  - Increased residential sales
  - Increased median market values
- Grantees should assess progress toward these national goals as well as local goals
- *Attend discussion session in Washington A at 3:30*



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