



State of Missouri

Department of Economic Development

Neighborhood Stabilization Program

NSP3 Application

NSP3 Application Guidelines

Application Deadline

Responses are due **in the offices** of the Missouri Department of Economic Development no later than: 5 p.m., January 7, 2011.

Missouri Department of Economic Development
301 West High Street, Suite 680
P.O. Box 118
Jefferson City, Missouri 65102

Responses must be timely and complete to be eligible for consideration. Please submit one originally signed application and two copies (three complete applications in total).

NSP3 Information and Requirements

The Dodd-Frank Wall Street Reform and Consumer Protection Act included an additional \$970 million of Neighborhood Stabilization program funding to continue to assist in the redevelopment of abandoned and foreclosed homes. The State of Missouri has been allocated \$5 million of this appropriation. The amount available to award, net of state administration of \$250,000, is \$4,750,000.

NSP3 information may be found on the HUD website at:

<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nsp3.cfm>

HUD has provided an online mapping tool to assist entities in determining eligibility of census tracts for NSP3. The tool and data sets are available at: <http://www.huduser.org/portal/datasets/NSP.html>. For Missouri, only census tracts with a need score of 13 and above (determined with the mapping tool and data sets) are eligible for NSP3. However, NSP3 funds must be targeted to the areas of highest need. NSP3 applicants must provide documentation as to the priority of the areas chosen for NSP3 funding. HUD has provided guidance on designing a NSP3 program which includes links to data sources for foreclosure information; the link is: <http://hudnsphelp.info/media/resources/NSP3DesignGuidebook.pdf>. Applicants should use this guidance in their program design and application submission.

Applications submitted under this Request are required to address the housing needs of persons and households not exceeding 120% of the area median household income. Not less than 25% of the total appropriation must be used to address the housing needs of persons and households not exceeding 50% of the area median household income. Because of this required setaside for 50% of median or below, activities addressing this income group will have priority.

NSP3 applicants must establish procedures to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

NSP3 grantees must, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity of projects funded by NSP3, or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects.

Eligible Applicants

Local governments may apply on behalf of non-profits, or nonprofits may apply directly to the state. Entitlement cities/counties are eligible to apply for the State NSP3 funding.

Citizen Participation

There is no public hearing requirement for submission of an application for NSP3 funding. Applicants must ensure that NSP3 information is available to all persons in the appropriate languages for the geographic area served by the jurisdiction. Accommodation for non-English speaking persons must be made, if requested and if typically necessary within the region, by NSP3 applicants.

The State will post its draft NSP3 plan on the DED Business and Community Services website (www.missouridevelopment.org) for a 15 day comment period prior to submission of said plan to HUD for approval.

Definitions

- **Blighted Structures** - A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to health, safety, and public welfare.
 - Communities participating in the State's NSP funding must determine blighted structures by declaring the use of an existing dangerous building ordinance, building code level of violation or applicable occupancy or habitability designation and applying such ordinance, code violation, or designation in a manner consistent with the definition. The ordinance, code violation or designation must be applied to the specific structure, not to the area as a whole. The predominance of blight in an area does not allow blight to be assumed for each structure inside the area.
- **Affordable Rents** - Defined as 30% of income
- **Continuing Affordability**
 - **Affordability Period Rental Housing** - Rehabilitation or acquisition of existing housing per unit amount of NSP funds:
 - Under \$15,000.....5
 - \$15,000 to \$40,000..... 10
 - Over \$40,000 or rehabilitation involving refinancing..15
 - New construction or acquisition of newly constructed housing.....20
 - **Homeownership Affordability Period** - Minimum period of Homeownership assistance NSP amount per-unit affordability
 - Under \$15,000.....5
 - \$15,000 to \$40,000.....10
 - Over \$40,000..... 15
- **Applicable Housing Rehabilitation Standards**
 - At a minimum, NSP grantees must use the Department of Economic Development Housing Quality Standards (DED HQS). These are available at www.missouridevelopment.org. If a NSP grantee chooses to use local rehabilitation standards, it must ensure that the local standard is more stringent than the DED HQS.
 - All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
 - All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy).
 - Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.
 - Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.
 - Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).
 - HUD also encourages the adoption of energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notice describes in more detail how energy efficient and environmentally-friendly green elements can be incorporated and additional tools on incorporating green rehabilitation standards can be found on the NSP Resource Exchange at www.hud.gov/nspta.

Eligible Activities

NSP3 has only five eligible uses. The table below defines the eligible uses and the correlating activities:

| NSP Eligible Uses | Correlated Eligible Activities From the CDBG Regulations |
|---|---|
| (A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers | As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206. Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out. |
| (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties | 24 CFR 570.201(a) Acquisition (b) Disposition, (i) Relocation, and (n) Direct homeownership assistance (as modified below); 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost |
| (C) Establish and operate land banks for homes and residential properties that have been foreclosed upon | 24 CFR 570.201(a) Acquisition and (b) Disposition. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost |
| (D) Demolish blighted structures | 24 CFR 570.201(d) Clearance for blighted structures only. |
| (E) Redevelop demolished or vacant properties as housing | 24 CFR 570.201(a) Acquisition, (b) Disposition, (c) Public facilities and improvements, (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties, (i) Relocation, and (n) Direct homeownership assistance (as modified below). 24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties. 24 CFR 570.204 Community based development organizations. HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost. New construction of housing is eligible as part of the redevelopment of demolished or vacant properties. |

Foreclosure prevention activities are not eligible. Demolition of structures that are not blighted is not eligible. Acquisition of residential properties or homes that are not abandoned or foreclosed upon, except under section E above, is not eligible. A grantee may not use more than 10% of its grant for demolition activities.

Grant administration is an eligible use of NSP3 funds. The maximum allowable is 5% of the eligible NSP3 costs.

NSP3 Expenditure Deadlines

There is no obligation deadline as existed in NSP1. However, NSP3 does include a strict expenditure deadline:

- 50% of NSP3 funds must be expended within two years of HUD signing the grantee agreement,
- 100% of NSP3 funds must be expended within three years of HUD signing the grantee agreement.

Applicants should take these deadlines into consideration when determining their capacity to carry out the NSP3 program, if awarded.

Application Evaluation Criteria

NSP3 applications will be reviewed on the following criteria

- completeness (required responses to RFP questions),
- capacity (NSP and/or CDBG experience: in-house or by contract/experience with activity proposed; in-house or by contract) ,
- program design (the proposed use of funds at the local level including the delivery system, long term maintenance, oversight, targeting and documentation of high need areas),
- ability to succeed within timelines (the measure of activities proposed, beneficiaries proposed and amount of time to complete). 50% of NSP3 funds must be expended within 2 years of award, and 100% must be expended within 3 years of award.
- financial feasibility (the degree to which the funds requested matched the activities proposed),
- eligibility (the consistency of the activities with the NSP regulations and with the required national objective of 120% and 50% of median and below),
- quality of the application (the indication of a clear plan for the use of the funds),
- impact (the degree to which the funding will have a significant effect),
- category consistency (the comparison of the activity with the applicability of the category in which it was applied), and
- availability of funds to meet the request (the limitations of the amount in the category related to the number of RFP's received).

**MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT
 NEIGHBORHOOD STABILIZATION PROGRAM – STATE (NSP3)
 FY2010 APPLICATION:**

| | |
|--|--|
| 1. Applicant Identification | |
| A. NAME (CITY OR COUNTY): | DUNS#: |
| B. MAILING ADDRESS: | |
| C. CITY, STATE, ZIP CODE: | |
| D. CHIEF OFFICIAL OF (A): | E. TITLE OF (D): |
| F. TELEPHONE OF (D): | G. FAX OF (D): |
| H. FISCAL YEAR END OF (A): | |
| I. FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): | |
| 2. Application Preparer | |
| A. NAME: | |
| B. MAILING ADDRESS: | |
| C. CITY, STATE, ZIP CODE: | |
| D. NAME OF AGENCY: | |
| E. TELEPHONE: | F. FAX: |
| 3. Sub-Applicant Identification (Applications on behalf of special districts or non-profit agencies. Attach additional sheets if necessary) | |
| A. NAME (ENTITY): | |
| B. MAILING ADDRESS: | |
| C. CITY: | |
| D. CHIEF OFFICIAL OF (A): | |
| E. TITLE OF (D): | |
| F. TELEPHONE OF (D): | G. FAX: |
| 4. Other Information for Reporting Purposes | |
| A. 2000 POPULATION OF 1A: | |
| B. STATE REPRESENTATIVE & DISTRICT NUMBER(s): | |
| C. STATE SENATOR AND DISTRICT NUMBER(s): | |
| D. COUNTY | |
| 5. Proposed Project Beneficiaries | |
| A. NUMBER OF PERSONS SERVED BY PROJECT: | |
| B. NUMBER OF FAMILIES SERVED BY PROJECT: | |
| C. % LMMI PERSONS OF PROPOSED PROJECT: | NUMBER OF LMMI PERSONS OF PROPOSED PROJECT |
| D. % LMMI FAMILIES OF THE PROPOSED PROJECT: | NUMBER OF LMMI FAMILIES OF THE PROPOSED PROJECT: |
| 6. LMMI National Objective/Activity (all activities proposed must address housing needs of persons at or below 120% of median household income) | |
| | |
| | |
| | |

7. Cost Data

A. NSP FUNDS REQUESTED FROM STATE:

B. LOCAL CASH FUNDS (INCLUDE DESCRIPTION OF USE AND RELATIONSHIP OF ALL LOCAL NSP FUNDS, AS APPLICABLE):

C. LOCAL IN-KIND FUNDS:

D. OTHER STATE/FEDERAL FUNDS:

E. PRIVATE FUNDS

F. TOTAL PROJECT COST:

8. Floodplain/Environmental Review

A. DOES THE PROPOSED PROJECT, OR ANY PORTION THEREOF, LIE WITHIN THE BOUNDARIES OF THE 100 YEAR FLOODPLAIN? Yes No

B. DOES THE COMMUNITY PARTICIPATE IN THE NATIONAL FLOOD INSURANCE PROGRAM? Yes No

C. IS THE COMMUNITY IN GOOD STANDING WITH THE NATIONAL FLOOD INSURANCE PROGRAM? Yes No

D. HAS THE SHPO SECTION 106 PROCESS FOR HISTORIC PROPERTIES BEEN INITIATED OR COMPLETED? Yes No

E. WILL THE PROPOSED PROJECT AND ALL ACTIVITIES ASSOCIATED, REGARDLESS OF FUNDING SOURCE, RESULT IN ANY CHANGE IN LAND USE? Yes No
IF YES, DESCRIBE.

F. IS THE PROJECT COMPATIBLE WITH CURRENT LAND USE IN THE AREA? Yes No

G. HAVE THERE BEEN ANY PRIOR ENVIRONMENTAL REVIEWS AND/OR STUDIES COMPLETED FOR THE PROPOSED PROJECT ACTIVITIES IN THIS AREA? Yes No
IF YES, PLEASE LIST.

Certification:

I, the undersigned, certify that the information found in this proposal, is factual and complete. I have the authority to submit this proposal on behalf of the City of _____ in my capacity as _____. I understand that if the proposal is included in the State's plan and subsequently approved by the U.S. Department of Housing and Urban Development, that a grant agreement shall be executed and that further certifications, including a local ordinance approving the application and agreement shall be required.

Date _____

NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY; USE ADDITIONAL SHEETS, AS NECESSARY)

(1) Activity Name:

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

(3) National Objective: (Must meet housing needs of households not exceeding 120% of area median household income and/or 50% of area median household income.)

(4) Projected Start Date:

(5) Projected End Date:

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information. Include a statement of capacity, experience, and relationship of the responsible organization to the jurisdiction.)

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known, and **must include** the full census tract IDs from the list of eligible census tracts found at the following website:
<http://www.huduser.org/portal/datasets/NSP.html>)

(8) Activity Description:

Include a narrative describing;

- the area of greatest need that the activity addresses;
- the expected benefit to income-qualified persons; and
- how funds used for this activity will be used to meet the low income housing requirement for those below 120% of area median income and for those below 50% of area median income (**required**).

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate
- Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income).
 - If so, include:
 - The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
 - The number of dwelling units reasonably expected to be made available for households whose income does not exceed 120 percent of area median income and also those whose income does not exceed 50 percent of area median income.

For financing activities, include:

- range of interest rates

For demolition activities, include:

- a statement describing the local ordinance, code violation, or occupancy/habitability designation used to meet the definition of blight. Include a copy of the ordinance, code or other supporting documentation.

(9) Total Amount of Request per Activity: clearly depict the budget per activity and the total amount requested from the state. Include activities and administration amounts. Include any local dollars, in-kind and local NSP funds, if applicable.

(10) Performance Measures: (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 120 percent of area median income and below, and also for those that are 50 percent of area median income and below:

| | | | |
|-----------------|--------------------|--------------|-----------------|
| <i>Example:</i> | <i>Activity</i> | <i>Units</i> | <i>120%/50%</i> |
| | <i>Acquisition</i> | <i>10</i> | <i>5/5</i> |

(11) STL City, STL County, KC only: Local NSP funds: Describe the plan (and provide the internet link) for the use of the local NSP funds provided by HUD and explain how this request for additional state funds fits into that plan, while meeting the objectives of the state plan.

(12) Cost Summary: Please complete the cost summary for the entire project, combining the amounts for all proposed activities. The cost summary has a section for activities targeting the 120% income group, and a separate section for activities specific to the 50% income group. Please list those separately, and total the entire application at the bottom.

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT
 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
NSP3 APPLICATION: COST SUMMARY

| PLEASE ROUND TO THE NEAREST \$100 | | | | | | |
|--|---------------|---------------------------|---|--|---------------------------|----------|
| I. NSP3 ACTIVITIES THAT BENEFIT 120% OF MEDIAN INCOME AND BELOW. | A. NSP3 FUNDS | B. APPLICANT'S CASH FUNDS | C. APPLICANT'S NON-CASH RESOURCES (IN-KIND) | D. OTHER STATE/ FEDERAL AGENCY GRANT FUNDS | E. OTHER (please specify) | F. TOTAL |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| 7. | | | | | | |
| TOTAL OF ACTIVITIES BENEFITTING 120% OR BELOW | | | | | | |
| II. NSP3 ACTIVITIES THAT BENEFIT 50% OF MEDIAN INCOME AND BELOW. | | | | | | |
| 1. | | | | | | |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. | | | | | | |
| 6. | | | | | | |
| 7. | | | | | | |
| TOTAL OF ACTIVITIES BENEFITTING 50% OR BELOW | | | | | | |
| TOTAL NSP ACTIVITIES PROPOSED (both 120% and 50%) | | | | | | |
| III. ADMINISTRATION (maximum 5% of total NSP activities proposed) | | | | | | |
| 1. NSP3 ADMINISTRATION | | | | | | |
| | | | | | | |
| IV. TOTAL ALL ACTIVITIES | | | | | | |
| | | | | | | |

NOTE: When proposing the Acquisition/Rehabilitation activity, for budget purposes, please separate this into an Acquisition activity and a Rehabilitation activity, and provide an estimated amount for each.