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NSP Recipient Workshop
April 14, 2009

www.iowalifechanging.com

Welcome

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Timelines - Deadlines

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Neighborhood Stabilization Program (NSP)

Acquisition, Replacement, Displacement and Relocation in the HERA Neighborhood Stabilization Program

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Two Laws

- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)
- Section 104(d) of the Housing and Community Redevelopment Act of 1974

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Applicability of URA

- URA applies to projects assisted with HUD-provided grants, loans, or contributions; HOME, CDBG, Disaster, NSP and Section 108 funds
- Housing of all income levels, businesses, nonprofits and farms are eligible for relocation if displaced

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Applicability of 104(d)

- 104(d) applies to CDBG, Disaster, NSP and HOME funds to local governments
 - **People:** Relocation assistance may be provided to displaced LOW-INCOME tenants under 104(d) or under URA. The tenants choose one or the other
 - **Units:** The 104d one-for-one unit replacement requirement is waived for NSP and replaced by unit reporting requirements

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How Soon Do URA and 104(d) Apply?

Both laws apply at the time real property is acquired or tenants are displaced (if displaced before acquisition) as a direct result of acquisition, demolition, and/or rehabilitation for a project that will include federal funds.

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Acquisition Basics

- All Federal Funding, voluntary or involuntary
- Follow voluntary requirements or involuntary may apply
- Both require relocation assistance for permanent tenant displacement and out-of pocket reimbursement for temporary tenant displacement
- Only involuntary acquisition requires relocation assistance to owners
- Acquisitions (even from bank, court, etc.) are covered
 - Must provide voluntary sale notices
 - Be careful about involuntary purchases

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Who Receives Relocation Assistance?

- Displaced residential tenant occupants (URA for any income, or 104(d) for low income)
- Residential owner-occupants who move as a result of an involuntary acquisition, but not as a result of a voluntary acquisition.
- Displaced business tenants
- Displaced nonprofit organization tenants
- Displaced farm operations (not eligible for NSP)

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HUD Handbook 1378 and Forms Web site

Enter web address:
<http://www.hud.gov/offices/cpd/library/relocation/>

Scroll down and click on the link:
 NSP – Acquisition and Relocation Resources

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Notices

Notices provide information about the project, the affected owners' and tenants' resulting rights, protections, and eligibility for assistance and payments under the URA and/or 104d.

It is critical that agencies issue appropriate notices in the required timeframes to owners and tenants.

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NSP Alternative Requirements

- Acquisition of property at a discount from Fair Market Value (URA)
- Appraisal of property required (URA)
- Alternative to "One-for-One" replacement (104(d))
 - Reporting
 - Number units expected to be demolished or converted
 - Number affordable units to be made available
 - Number units for persons at or below 50 percent of median

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NSP Acquisitions and the URA

- Most acquisitions covered by 49 CFR 24.101(b)(1) or (b)(2)
- Requirement for an appraisal
- Appraisal must meet requirements of 49 CFR 24.103 (Criteria for Appraisals)
- Offer must be less than current appraised value

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Relocation

- Staff or contractor resources needed to:
 - Provide notices
 - Provide advisory services
 - Locate replacement housing (URA)
 - Estimate moving costs
 - Verify income and current housing costs (rent & utilities)
 - Estimate rental assistance costs

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Relocation and the URA...continued

- Estimate replacement housing payments (based on 42 months)
- Receive, process and pay claims
- Handle appeals and/or court actions

(NSP)

Relocation and 104(d) Requirements

- Must have in place a Residential Antidispacement and Relocation Assistance Plan (RARAP)
- 104(d) Assistance Applicable only to lower-income tenants (Lower-income = at/or below 80 percent of median)
- Notices, advisory services, payment for moving costs and rental (including security deposit) or purchase assistance)

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Relocation and 104d Requirements...continued

- Must offer 104(d) replacement housing assistance (rent or purchase) to low-income households
 - Income based on Section 8 income definition
 - 104d 60 months vs. URA 42 months
 - Replacement housing payment may be offered in form of a Housing Choice Voucher for eligible households

(NSP)

Procurement Standards

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Federal Procurement Standards


- Apply to all Local Government and non-profit recipients
- They do not apply to for-profit recipients



- Recipient Must Adopt
 - Procurement Policy and
 - A Code of Conduct



- Efficient and Economical Procurement
- Open and free competition
- Procurement transactions
 - Must clearly explain the criteria that sources will be evaluated on;
 - Based on clear and accurate description of the material, product or service; and
 - Can not contain features that unduly restrict competition



- Examples/situations that restrict competition:
 - Unreasonable qualifying requirements
 - Unnecessary experience and/or excessive bonding requirements
 - Non-competitive pricing practices between firms or affiliated companies
 - Non-competitive awards to firms on retainer contracts
 - Organizational conflicts on interest
 - Arbitrary action



Methods of Procurement

- Small Purchase Procedures
- Sealed Bids
- Competitive Proposals
- Non-Competitive Proposals



Small Purchase Procedures

- Used for procurement of certain goods and services of \$100,000 or less
- Price or rate quotations
- Must document the receipt of an adequate number of quotes from qualified sources
- Examples: archeological surveys, attorneys, auditors, etc.

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Sealed Bids

- Used for construction services of any kind and amount
- Selection is based on price
- Publicly advertised bids
- Invitation for bids must include complete and accurate specifications and pertinent attachments
- Bids must be opened publicly
- Recipient must receive at least two or more responsible bids
- If awarded, a firm, fixed-price contract must be made to the lowest responsive, responsible bidder

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Competitive Proposals

- Used for obtaining certain professional services (Administrators, technical services provision, A/E)
- Request for Proposal (RFP)
 - Publicize the RFP
 - Solicit RFPs from an adequate number of qualified sources
 - Conduct a technical evaluation
 - Award Contract
- Request for Qualification (RFQ) - A/E Services Only
 - Competitors qualifications are evaluated
 - Most qualified is selected
 - Cost is negotiated
 - Award Contract

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Non-Competitive Proposals (Sole Source)

- Item/service is available only from a single source
- Competition is determined inadequate after proposals/bids are received
- Contracts over \$25,000 must receive prior written approval from IDED

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Bonding Requirements

- Construction contracts that exceed \$100,000:
 - Bid Guarantee = 5% of bid price (Bid bond or certified check)
 - Performance Bond = 100% of contract price
 - Payment Bond = 100% of contract price

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Contract Language

- See the Housing Fund Management Guide – Appendix 2

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Civil Rights-Fair Housing Equal Opportunity


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Civil Rights Regulations

prohibit discrimination on the basis of:

- Race or Color
- Religion or Creed
- Sex
- National Origin
- Physical & Mental Disability
- Age
- Familiar Status
- Citizenship
- Sexual Orientation (New to Iowa)



Fair Housing Act

- Must take some action to affirmatively further fair housing
 - Use equal housing opportunity logo 
 - Sponsor fair housing training
 - Document actions



Other

- Limited English Proficiency
- Iowa Civil Rights Commission
515.281.4121
- Fair Housing Brochures (available outside table)




Neighborhood Stabilization

Financial / Reporting
Harriet Leitch
515.242.4826
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Financial Management

- Your system must provide for accurate, current and complete disclosure of financial activities.
- Costs must be allowable and documented.
- NSP funds must be expended within 10 days of receipt.
- Can retain a balance of up to \$500 on hand.

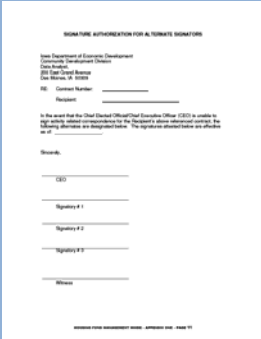



NSP / Drawing Funds

- Before drawing any funds, the following documents should be submitted and approved:
 - All conditions to the contract must be met
 - Authorized signature form is needed if it is a person other than CEO who signed the contract
 - If at any time there is a change in the person authorized to sign, please submit a new form




Authorized Signature Form





Requesting Funds (continued)


- Entire draw process takes 3 to 4 weeks
- NSP funds will be transferred electronically (cities and counties)



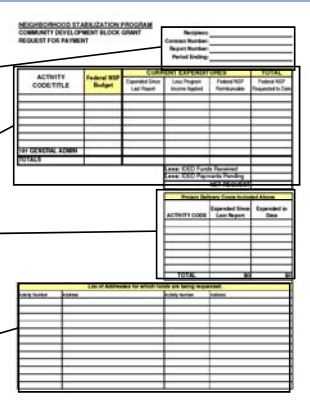
Electronic Funds Transfer Authorization



- To sign up for this or to make changes to existing EFT information, use form provided

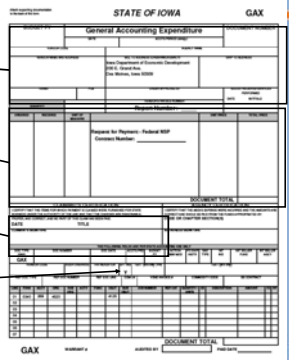


Requesting Funds (continued)



- Recipient, Contract Info
- Payment Info
- Project Delivery Costs
- List of Addresses


NSP GAX (back side)



- Date, Accounting Period, Vendor Info
- Payment Info
- Claimant Certification
- EFT Indicator


Requesting Funds (continued)

- Request funds only when actually needed for payment
- Draw whole dollar amounts \$500 or more
- If excess funds were drawn, submit a "negative draw" showing adjustment to the affected activity along with a check for the excess amount - for assistance contact: Dar Nair at 515.242.4773
- Please sign draw form using red or blue ink




Requesting Funds (continued)

- Submit original and three copies of both sides of the appropriate draw form
- No need to submit back-up information, unless requested to do so by project manager – one copy only if needed
- Must be received within 60-days of period-ending date
- Period ending date cannot extend past end of contract date




Requesting Funds (continued)

- For the final draw, put the word "FINAL" after the report number
- Any budget amendments must be approved and processed before revising the budget on the draw form





Quarterly Performance Report

- Due 15th after end of quarter
- Please maintain the same order of units
- Submit original only
- Failure to submit a signed report may result in draws being held or rejected
- If no progress, still must be submitted
- QPR and instructions are provided




QPR Cover Sheet

QPR – Unit Detail

- Only include units when assured they will proceed (single family units)
- Enter actual start and completion dates, not estimates
- Use current income limits, links are provided at www.iowalifechanging.com/community/links

Updates are issued each spring




Deconstruction/Recycling

- Approaches
 - Move
 - Deconstruct
 - More reuse
 - Highly valuable and not
 - Salvage
 - More selective
 - More emphasis on valuable/unique
 - Recycle
 - Separated
 - Mixed




Deconstruction/Recycling

- Materials
 - What type of materials can be reused/recycled?



Deconstruction/Recycling

- Approaches
 - Salvage Barn
 - Auction
 - Donation
 - Reuse
- Contractors





Deconstruction/Recycling

- HEART
 - Housing Education and Rehabilitation Training (HEART)
 - Iowa CCMA 2007
 - High school youth
 - Rebuild derelict homes
 - Sold to low-income




www.dubuque.k12.ia.us/heart/index.htm



Deconstruction/Recycling

- Examples
 - Capitol Complex
 - Dubuque
 - Iowa City

Deconstruction/Recycling

- Capitol Complex
 - Church
 - Homes
 - Offices
 - 98% recycled
 - Saved \$20,000




Deconstruction/Recycling

- Dubuque
 - Guide
 - Specs
 - Market Directory
 - Bid language
 - Honors
 - Workshops



www.dmaswa.org/services_construction.cfm

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**DUBUQUE HOUSING AND COMMUNITY DEVELOPMENT
BEE BRANCH DECONSTRUCTION PROJECT
FINAL RESULTS
645 Gillespie, Dubuque, IA**

Company: Kueffer Excavating		Project Manager: Jeff Kueffer		Phone: 563-747-7776, 213-103	
Project Site Location: 645 Gillespie		Project Type: Construction		Demolition Renovation	
Building Type: Residential		X Deconstruction (Partial/Complete)			
Commercial/Industrial		Project Duration: 2 Weeks			
PROJECT MATERIALS DIVERTED	QUANTITY	WEIGHT (LBS)	WEIGHT (TONS)	PERCENT	MARKET / DISPOSAL FACILITY
Wooden Beams		652	0.33	0.45%	Reuse In Stock
Floor Joists (2x12)		1,000	0.50	0.67%	Reuse In Stock
Roof Rafters (2x6)		900	0.45	0.56%	Reuse In Stock
Plg Wood (4x8)		1,200	0.60	0.76%	Reuse In Stock
Rock Foundation		120,000	60.00	76.23%	Solid Fill Solid Fill Site
Concrete Floors		30,000	15.00	18.84%	Solid Fill Solid Fill Site
Insulation		300	0.15	0.19%	Reuse Solid off site
Vinyl Siding		200	0.10	0.13%	Reuse Solid off site
Wood Flooring		1,800	0.90	1.12%	Reuse In Stock
PROJECT MATERIALS DIVERTED (BY WEIGHT)		156,050	78.03	97.83%	
PROJECT MATERIALS DISPOSED	QUANTITY	WEIGHT (LBS)	WEIGHT (TONS)	PERCENT	MARKET / DISPOSAL FACILITY
Roof Shingles		1,600	0.80	1.00%	Landfill Dubuque Metro Landfill
Carpets		1,860	0.93	1.17%	Landfill Dubuque Metro Landfill
PROJECT TONS LANDFILLED		3,460	1.73	2.17%	
TOTAL PROJECT MATERIAL WEIGHT		159,510	79.76	100.00%	

Landfill Fees Paid (DBQ Metro LF) = \$55.00
Landfill Disposal Fees Avoided = \$2,456.00

Deconstruction/Recycling

- Iowa City
 - Salvage ordinance

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Steps to Deconstruction/Recycling


- Strategies for Reusing & Salvaging Building Materials
 - Pg. 10
 - Appendix G – pg. 28
 - Appendix H – pg. 29
 - Appendix I – pg. 30-32
- Strategies for Recycling
 - Pg. 11

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Building Green

“Building durable, healthy, energy-efficient homes is foreclosure insurance”


- Why build green?
 - Why not
 - Are you getting what you pay for now?
 - What have recent practices gotten us?
 - 225,000+ utility accounts past due – Feb
 - LIHEAP recipients 11-12% income on energy



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Building Green


- We use to
 - 1920s
 - Size
 - Orientation
 - Daylight
 - Vegetation
 - Proximity




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Building Green

- Iowa Green Streets Criteria
 - Plan
 - Locate
 - Site
 - Water
 - Energy
 - Materials
 - Operations





Building Green

- Does it cost more?
 - No mystery/nothing fancy
 - Better practices





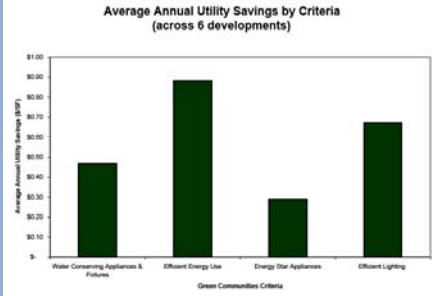



Building Green



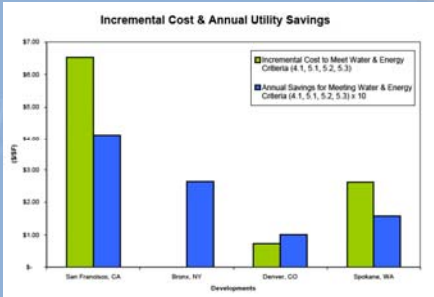



Building Green





Building Green






Building Green

- COSC - West Des Moines Demo Home
- Classes/field training topics
 - House as a System, Planning & Design, Passive Solar
 - Foundations, Framing, Roofs & Attics
 - Windows and Doors, Insulation
 - Plumbing, Solar Hot Water
 - Heating, Ventilation, Air Conditioning
 - Solar Collectors, Active Solar Space Heating
 - Indoor Air Quality, Interior Finishes
 - Electrical, Photovoltaics
 - Siding and Decking, Landscaping





Deconstruction/Recycling

Resources

- Dubuque
www.dmaswa.org/services_construction.cfm
- Iowa DNR - Model ordinances, example bid, data
www.iowadnr.gov/waste/recycling/cndiowa.html
- IDED - Best Management Practices Manual
http://testing.iowalifechanging.com/downloads/bestmgmt_practices.pdf



Deconstruction/Recycling

Resources

- NAHB
[Deconstruction: Building Disassembly and Material Salvage \(PDF\)](#)
- HUD
A Guide to Deconstruction
www.huduser.org/publications/destech/decon.html
A Report on the Feasibility of Deconstruction
www.huduser.org/publications/destech/deconstruct.html



Building Green

Resources

- Iowa Green Streets Criteria
www.iowalifechanging.com/community/downloads/green-criteria08.pdf
- Green Communities
www.greencommunitiesonline.org/
- LEED for Homes
www.usgbc.org/DisplayPage.aspx?CMSPageID=147
- National Green Building Standard
www.nahbgreen.org/



Deconstruction/Recycling

Resources

- EPA
www.epa.gov/epawaste/conserv/rrr/imr/cdm/reuse.htm
- Deconstruction Institute - Benefits calculator
www.deconstructioninstitute.com/
- Building Materials Reuse Calculator
www.wastematch.org/calculator/calculator.htm
- Building Materials Reuse Association
www.bmra.org/ (Decon – Chicago April 28-30)



Deconstruction/Recycling

Resources

- HEART
www.dubuque.k12.ia.us/heart/index.htm
- Conservation Corps Iowa
www.iowalifechanging.com/community/green-corps.html
- AmeriCorps
www.volunteeriowa.org/
- Restores
www.habitat.org/cd/env/restore_detail.aspx?place=57



Deconstruction/Recycling

Iowa Waste Exchange

www.iowadnr.gov/waste/iwe/index.html

- Free
- Local service providers
- Match materials



Building Green

- Resources
- Minnesota Green Communities
 - Green specs for rehab
www.mnngreencommunities.org/
 - GreenbyDesign – June 10-11, 2009
www.mnngreencommunities.org/gbd/index.htm
- Greater Minnesota Housing Fund
 - Green Home Plans
www.gmhf.com/homeplans/
 - Playbook for Green Buildings & Neighborhoods
www.greenplaybook.org/

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Building Green

- Resources
 - Green Home Guide
www.greenhomeguide.org
 - Center on Sustainable Communities
www.icosc.com
 - IDED Green Calendar
www.iowalifechanging.com/community

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Preventing Slum & Blight

- National Vacant Properties Campaign
 - <http://www.vacantproperties.org/>
 - Reclaiming Vacant Properties – June 1-3, '09
 - Vacant Property Systems Assessments
 - Vacant Property Training Roundtables
 - Specific Strategies Implementation
 - Leadership Consultations
 - <http://vacantproperties.org/foreclosures.html>

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Preventing Slum & Blight

- Iowa Demolition Site Waste Task Force
 - www.iowadnr.gov/waste/recycling/cnd.html

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“You Can’t Do That!”

Are your activities eligible?

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Scenario One:

A state grantee or unit of general local government (UGLG) wants to use its NSP funding to acquire and rehabilitate some foreclosed residential properties and sell them below market rate to income-eligible households. They also want to use NSP and private funding to acquire and demolish some blighted single-family homes and replace them with a mixed-income, multi-unit residential building.



Scenario Two:

A non-profit organization that acquired foreclosed properties two years ago is interested in applying for NSP funding to rehabilitate and provide down-payment assistance for low and moderate income households.

They would also provide homeownership counseling.



Scenario Three

A grantee acquires a vacant 10-unit apartment building that will be rented to households below 50 percent area median income.

- Is it eligible for NSP funding?
- Does it meet the 25 percent low-income set-aside test?

A grantee acquires a foreclosed and vacant 10-unit apartment building that will be rehabilitated and used as emergency housing shelter.

- Is this eligible for NSP funding?
- Does it meet the 25 percent low-income set-aside test?



NSP Recipient Workshop

Lunch Break

Meeting the Low Income Targeting Requirement for NSP

Elyse Shindelar
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NSP Low Income Targeting Rule

- HERA Low Income Set Aside
 - At least 26 percent of funds must provide housing for households with incomes of ≤ 50 percent of area median income
 - Must be:
 - Purchased and redevelopment
 - Of abandoned or foreclosed homes or residential properties
 - Calculated for each recipient not project by project




Factors in Assessing NSP Low Income Targeting

- All of the conditions must be met to qualify:
 - Must be housing, as defined by CDBG
 - Occupants \leq 50 percent median for affordability/compliance period
 - Activity related to foreclosed/abandoned properties
 - Must be home or residential property
- Use this filter when deciding if can count toward 26 percent targeting




Key NSP Definitions

- **Abandoned:** Mortgage/tax foreclosure proceedings initiated, no payments 90 days and vacant 90 days
- **Foreclosed:** Mortgage/tax foreclosure complete, includes title transfer from former owner




Key NSP Definitions (Continued)

- **Blighted:** Objectively determinable deterioration that is a threat to human health, public safety and/or public welfare
- **Land Bank:** Purchase, manage, dispose of foreclosed homes in defined area



Key NSP Definitions (Continued)

- **Homes:** Any permanent residential dwelling unit:
 - Single family, multi-family, townhouse, condominium, manufactured home when state law deems it real estate.
- **Residential Properties:** All of the above, plus vacant land designated as residential use



Eligible NSP Activities

- **Category A**
Financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties
 - Activity delivery cost for an eligible activity (design & production)
 - The financing of an NSP eligible activity:
 - Purchase
 - Redevelopment
 - Demolition
 - Construction



Eligible NSP Activities (Continued)

- **Category 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
 - Acquisition
 - Disposition
 - Relocation
 - Direct homeownership assistance
 - Eligible rehabilitation and preservation activities for homes and other residential properties
 - Housing counseling for those seeking to take part in the activity




Eligible NSP Activities (Continued)

- **Category C**
 - Land banks for homes that have been foreclosed upon
 - Acquisition
 - Disposition (includes maintenance)



Eligible NSP Activities (Continued)

- **Category D**
 - Demolish blighted structures
 - Clearance for blighted structures only
- **Note:**
 - Properties do not need to be abandoned or foreclosed
 - Also does not need to be residential – can be commercial, industrial or other structure




Eligible NSP Activities (Continued)

- **Category E**
 - Redevelop demolished or vacant properties
 - Acquisition
 - Disposition
 - Public facilities and improvements
 - Housing counseling public services
 - Relocation
 - New housing construction (No previous house)
 - Direct homeownership assistance
- **Note:**
 - Properties do not need to be abandoned or foreclosed
 - Any property type allowed
 - Must be vacant or demolished




Ineligible Activities

- Generally, if activity is ineligible under CDBG – it is ineligible under NSP
 - Some exceptions, most prominent is the new construction allowed under Category E
- Not eligible under HERA:
 - Foreclosure prevention
 - Demolition of non-blighted structures
 - Purchase of properties not abandoned or foreclosed upon with the exception of eligible use under Category E




The CDBG “Housing” Definition Issue

- NSP uses CDBG rules as basis
- CDBG statute defines certain activities as public facilities (not counted at 26 percent):
 - Shelters
 - Convalescent homes
 - Nursing homes
 - Battered spouse shelters
 - Halfway houses
 - Group homes for persons with mental retardation
 - Temporary housing for disaster victims



Using NSP Eligible Activities to Meet 26 Percent Rule

	Count Toward 26 percent?
A: Financing Mechanisms	Yes , if housing and occupant beneficiary equal low income
B: Purchase and Rehab	Yes , if housing and occupant beneficiary equal low income
C: Land Banks	No , unless land bank is operated as permanent rental housing for low income
D: Demolition	No , not as a stand alone activity Yes , if combined with acquisition and redevelopment of foreclosed/abandoned units for L1 housing
E: Redevelopment	Only if property was abandoned or foreclosed. Units are housing and occupant equal low income



Is it eligible? Does this count?

- 1) Use NSP to demolish a vacant, blighted public school and build a new rental property for very low income tenants?
- 2) Habitat uses NSP to buy foreclosed homes, rehabilitates and sells the homes to persons at 40 percent of median income and below



Is it eligible? Does this count?(Continued)

- 3) Provide down payment and closing cost assistance to households at \leq 80 percent median income to buy foreclosed homes?



Is it eligible? Does this count?(Continued)

- 5. Use NSP to purchase 20 abandoned homeowner units, nonprofit operates the units as scattered site rental for formerly homeless families?
- 6. Tax foreclosed rental property was bought by a nonprofit in 2007. Use NSP funds to rehabilitate building as rental housing for low income elderly persons?



Continued Affordability

Mike Miller

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NSP

AFFORDABILITY
REQUIREMENTS



AFFORDABLE HOUSING
HOMEOWNERSHIP

- If acquisition/rehabilitation, the housing will have an estimated value after rehabilitation that does not exceed 95 percent of the median purchase price for the area;
- May use the Single Family Mortgage Limits as determined by HUD – per Section 203(b) of the National Housing Act –available from HUD or IDED




Affordable Housing – Rental

- NSP — Assisted rental units cannot exceed the HOME Fair Market Rents for your area
- Fair Market Rents are established by HUD (see 24 CFR 888.111) and are available from HUD or IDED




INCOME –ELIGIBLE HOUSEHOLDS

- All units assisted with NSP funds must be occupied by households with incomes at or below 120 percent of the area median income (AMI) throughout the period of affordability
- For any units being counted towards the 50% AMI requirement, those units must be occupied by households with incomes at or below 50% of the AMI throughout the period of affordability




Continuing Affordability: Recapture vs. Resale

- Recapture Option: If the housing is sold during the period of affordability, some or all of the assistance must be recaptured.
- Resale Option: The housing must be sold to LMI-qualified household (i.e. <120% AMI); Price at resale ensures continuing affordability and provides owner fair return.




Continuing Affordability: Recapture vs. Resale Cont.

- Recapture option should be used for all Rental Projects.
- For Homeownership Assistance, the Resale option must be used whenever there is no subsidy in the project, since there would be no subsidy to recapture.
- For Homeownership Assistance projects where there is a subsidy, either Resale or Recapture may be used.




Continuing Affordability: Recapture vs. Resale Cont.

- The decision on whether to use Recapture or Resale method should be decided upon up-front, as part of the program design.



REQUIRED AFFORDABILITY PERIOD - HOMEOWNER

Subsidy Amount Per Unit	Affordability Period	Minimum Restriction
< \$15,000	5 years	Subsidy recapture, 20 percent forgiveness each year
\$15,000 - \$40,000	10 years	Subsidy recapture, 10 percent forgiveness each year
Over \$40,000	15 years	Subsidy recapture, 6.6 percent forgiveness each year



REQUIRED AFFORDABILITY PERIOD – RENTAL

Average Per Unit NSP Assistance	Affordability Period	Minimum Restriction
< \$15,000	5 years	Subsidy recapture, 20 percent forgiveness each year
\$15,000 - \$40,000	10 years	Subsidy recapture, 10 percent forgiveness each year
Over \$40,000	15 years	Subsidy recapture, 6.6 percent forgiveness each year
New Construction	20 years	Subsidy recapture, 5 percent forgiveness each year



ENSURING AFFORDABILITY

LEGAL MECHANISM FOR ENFORCING AFFORDABILITY

- Covenants and Deed Restrictions
- Riding with the Land
- Legally Recorded
- Include Recapture Provisions – see previous 2 slides for details



POSSIBLE PRESUMPTION OF AFFORDABILITY

HOMEOWNERSHIP ASSISTANCE ONLY

- Certain housing may be presumed to meet the resale restrictions, long-term restrictions then not necessary
- Requires market analysis that looks at average sales prices, age and amenities of housing stock, incomes in area and percent of owner-occupants, etc.
- See HOME regulations Section 92.254a.5.i.B for more detail on this alternative



Lead Based Paint

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24 CFR, Part 35 et.al.

- “Requirements for Notification, Evaluation, and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance; Final Rule”
- Implementing Regulations for Title X (Part of the 1992 Housing and Community Development Act)



24 CFR, Part 35 et.al. (continued)

- Subpart A** “Disclosure of Known LBP Hazards Upon Sale or Lease of Residential Property”
- Subpart B** “General LBP Requirements and Definitions For All Programs”
- Subpart J** “Rehabilitation”



24 CFR, Part 35 et.al. (continued)

- Subpart K** “Acquisition, Leasing, Support Services or Operation”
- Subpart M** “Tenant Based Rental Assistance”
- Subpart R** “Methods and Standards for LBP Hazard Evaluation and Hazard Reduction Activities”



24 CFR, Part 35 et.al. (continued)

Effective September 15, 2000



IDED to work together with the IDPH

- IDPH is responsible for the administration of the EPA regulations (40 CFR; Part 745)
- IDPH will do the training and certification of personnel administering IDED's Programs



Training Available

- Visual Risk Assessors/Clearance technicians (2 day course)
- Contractors Trained in Safe Work Practices (1 day course)
- LBP Inspectors/Risk Assessors (5 day course)



Prohibited Methods of Paint Removal

- Open Flame Burning or Torching
- Machine Sanding or Grinding (without HEPA exhaust control)
- Abrasive Blasting or Sandblasting (without HEPA exhaust control)



Prohibited Methods of Paint Removal (continued)

- Heat Guns (Above 1100° F)
- Dry Sanding or Scraping (exceptions)
- Paint Stripping in poorly ventilated areas using volatile paint strippers that contain hazardous substances




Properties Exempt from the New LBP Regulations

- Residential structures built since 01-01-78
- Emergency Action activities
- In areas where state/local governments banned LBP prior to 1978
- Properties found not to contain LBP (previous testing per approved methods)
- Properties where all LBP had been identified and removed (using approved methods)




Properties Exempt from the New LBP Regulations (continued)

- Unoccupied units that are to be demolished
- Properties not used for human residential habitation
- Rehabilitation that does not disturb painted surfaces
- Single room occupancy units
- Units designated for the elderly




Notification

- Upfront to the occupant
- Evaluation results (or presumption of LBP)
- Lead hazard reduction to be done
- Clearance results




Evaluation

- Visual Assessment
- Paint Testing
- Risk Assessment
- Lead Hazard Screens
- Clearance Testing



Lead Hazard Reduction Activities

- Paint Stabilization
- Interim Controls
- Standard Treatments
- Abatement





Safe Work Practices

To the Occupants of the Unit

- May involve temporary relocation unless work can be completed in an 8-hour day

To Workers

- Preparation of the work site
- Worker Safety Equipment
- Prohibited Methods of Paint Removal
- Cleaning

NSP Recipient Workshop

Break

Environmental Review/SHPO

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Tim Weitzel
Barbara Mitchell



Environmental Review (24 CFR Part 58)

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Environmental Review

Completion of the environmental review is mandatory before you can incur costs or draw funds



Limitations 24 CFR 58.22

Neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance on an activity or project until State or HUD has approved the recipient's Request for Release of Funds (RROF) and the related certification from the responsible entity



Limitations...continued

In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives



Environmental Review

- The ONLY cost you can incur after effective date of contract and before Release of Funds are:
 - Contracting for Grant Administration
 - Preliminary A/E fees
 - Cost associated with environmental review process



Steps of Environmental Review Process

- Determine scope of the project
- Aggregate activities
- Determine level of review
- Conduct review
- RROF
- Clearance by DED (or HUD)
- Start project



Project Aggregation

Must group together and evaluate as a single activity when related geographic or functionally



Environmental Review Record

- Must be maintained for each activity
- Must be available for public review



ERR Contents

- Project description, map(s)
- Level of determination
- Compliance documentation (i.e. Section 106, Floodplain/wetlands, etc.)
- FONSI and RROF information
- Any comments and responses
- HUD (or State) removal of grant conditions
- Revisions/changes to original review



Level of Review

- Exempt
- Categorically excluded NOT subject to other Federal Laws and Authorities
- Categorically excluded SUBJECT to other Federal Laws and Authorities
- Environmental Assessment required



Exempt Activities

- General Administration
- Legal and Consulting Fees
- Financial Applications
- Construction loan commitments
- Preliminary A/E
- Environmental review activities



Categorically Excluded

Categorical exclusion refers to a category of activities for which no environmental impact statement or environmental assessment and finding of no significant impact under NEPA is required



Categorically Excluded Activities

- Excluded activities that are NOT subject to other Federal Laws and Authorities
 - TBRA
 - Activities to assist homebuyers to purchase existing dwelling units



Categorically Excluded Activities

- Excluded activities that MUST comply with other Federal Laws and Authorities
 - Owner Occupied Rehab
 - Homebuyer Assistance for units NOT already under construction



Environmental Assessment Activities

If neither exempt nor categorically excluded, an environmental assessment is required



Environmental Impact Statement "EIS"

- Controversial Projects
- Findings of Significant Impacts
- Format set by NEPA
- Very complicated and time consuming



Conducting the Review



Documentation Requirements

- General rules for completing environmental documentation:
 - Use "Qualified Data Sources"
 - Do not leave blank spaces
 - If you use "NA" explain why
 - Attach compliance documentation

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Exempt "Level of Review"

- ERR Process/Content:
 - Write the project description
 - Document determination in writing
 - Document compliance with 50.4(b) or 58.6
 - Send Finding of Exemption form RROF to IDED

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Categorically Excluded NOT Subject to other Federal Laws and Authorities "Level of Review"

- ERR Process/Content
 - write the project description
 - document determination in writing
 - document compliance with 50.4(b) or 58.6
 - send Finding of Categorical Exclusion NOT subject to Federal Laws and Authorities RROF to IDED

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Categorically Excluded Subject to Other Federal Laws and Authorities "Level of Review"

- ERR Process/Content
 - Complete categorically excluded checklist
 - Contact SHPO (if required) and Tribal Authorities
 - after receiving SHPO concurrence (if required) publish RROF
 - send RROF along with proof of publication to IDED

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Categorically Excluded Subject to other Federal Laws and Authorities (nonprofit and for-profit)

- SHPO information
 - Must be forwarded to IDED for signature
 - IDED will then forward to SHPO for their review
- Complete HUD form 7015.15
 - Forward to IDED with proof of publication
 - IDED will forward to HUD

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Environmental Assessment "Level of Review"

- ERR Process/Content
 - Complete environmental checklist with supporting documentation
 - Contact SHPO (if required) and Tribal Authorities
 - After receiving SHPO concurrence (if require) publish FONSI/RROF
 - Send RROF along with proof of publication to IDED

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Environmental Assessment (nonprofit and for-profit)

- SHPO information
 - Must be forwarded to IDED for signature
 - IDED will then forward to SHPO for their review
- Complete HUD form 7015.15
 - Forward to IDED with proof of publication
 - IDED forwards this to HUD



Programmatic Agreement

- Between the IDED and SHPO
- Work in progress
- The Programmatic Agreement Categorically excluded projects that are subject to other Federal Laws and Authorities that result in "no historic properties affected"




Programmatic Agreement

- Undertaking not normally requiring consultation with Iowa SHPO involving:
 - Ground disturbance
 - Architectural/historical resources



What is your ROI?



NSP Recipient Workshop

Adjorn
Thank you for participating!

