From: Linda Thompson
To: Linda Thompson
Subject: COSCDA Member Update - October 15, 2010
Date: Friday, October 15, 2010 3:30:15 PM
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Member Update

October 15, 2010

HUD Releases NSP3 Program Notice

On October 14, 2010, HUD released its NSP3 Notice containing requirements for the new allocation of NSP funds that were authorized in the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Act provided $1 billion in new NSP funds to states and local governments to continue to assist in the redevelopment of abandoned and foreclosed homes.
The Notice is found at
http://hudnsphelp.info/media/resources/NSP3FederalRegisterNotice_October142010.pdf
All states received at least $5 million of new NSP3 funds. Many non-entitlement jurisdictions received NSP3 funds. The list of NSP3 grantees is included in the back of the Notice, as well as the allocation formula.
Some notable provisions of the NSP 3 Notice include:

- Action Plan substantial amendments for NSP3 are due on March 1, 2011.
- NSP3 grantees must expend 50 percent of their grants within 2 years and 100 percent of their grants within 3 years.
- Each grantee must use the HUD Foreclosure Need website to submit to HUD the locations of its NSP3 areas of greatest need.
- Any NSP3 eligible activity used to house individuals or families at or below 50 percent area medium income may be used to satisfy the 25/50 requirement. Vacant properties that are not abandoned or foreclosed may be used to meet the requirement as well as eligible commercial properties that are reused to house individuals and families at or below 50% AMI. (The Dodd-Frank Act struck language in HERA that specified that funds meeting the 25 percent requirement must be used specifically for the purchase and redevelopment of abandoned and foreclosed homes or residential properties).
- Only NSP1 funds may be used to redevelop acquired property for nonresidential uses, such as public parks, commercial uses, or mixed residential and commercial uses. Redevelopment activities using NSP2 and NSP3 funds must be for housing.
- HUD provides a waiver and alternative requirement to allow grantees to determine low- and moderate income benefit on a unit basis to allow greater support of mixed income housing.

The Notice includes guidance on directly carrying out NSP 3 activities in Section G on State's Direct Action.

- The Notice includes information on FHA's First Look Program, which provides NSP grantees exclusive access to review and purchase newly conveyed FHA real estate-owned (REO) properties that are located in their designated areas.
- NSP3 grantees are required to establish procedures to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds. The Notice addresses how grantees can meet this requirement in their substantial amendments or abbreviated plans.
- NSP 1 reallocation procedures are included in the Notice.

HUD Sponsored Webinar: NSP3 Notice

Date: Tuesday, October 19, 2010

Time: 2:00 PM – 4:00 PM

Location: Online

Description:

HUD will be offering a webinar that will summarize and answer questions on both the NSP3 Program and the alternative requirements and regulatory waivers offered under the new Federal Register notice.

NOTE: This webinar will take place from 2:00PM to 4:00PM EDT.

Webinar materials will be posted to the NSP Learning Center as soon as they become available.

Instructions for participating in the webinar will be posted soon. Please check back!

Event Host: HUD

Cost: No Cost

COSCDA NSP Member Opinions Covered in Community Development Digest

The following Community Development Digest article was included in the CD Digest October 2-8th issue.

(STATES) Development Agencies Give HUD Stabilization Efforts Good Marks; More Money Needed

Nearly 80% of state housing and community development agencies see federal neighborhood stabilization policies as successful in achieving a positive impact in fighting foreclosure, although the programs have conflicting rules, according to the results of a new survey.

The Council of State Community Development Agencies (COSCDA) gained the information after surveying members about the lessons learned in running federal government programs including the first round of the Neighborhood Stabilization Program (NSP-1), Homeless Prevention & Rapid Re-Housing Program (HPRP), Community Development Block Grant-Recovery Act efforts and the ongoing HOME Investment Partnerships Program.

More than two-thirds of the respondents say the federal government's program financing coming through the various stimulus packages was a shot in the arm. But even the third round of NSP funding recently approved by Congress is nowhere near enough to address what remains a multi-trillion foreclosure problem that market forces likely will have to correct, the survey says.

HUD Announces Sustainable Communities Grant Recipients

HUD has made its announcement of the Sustainable Communities Regional Planning Grant award recipients. See the link to the press release and list of recipients (a link within the press release).

http://portal.hud.gov/portal/page/portal/HUD/press/press_releases_media_advisories/2010/HUDNo.10-233

The Sustainable Communities Initiative at HUD is providing $100 million in regional integrated planning grants for the purpose of improving regional planning efforts to integrate housing and transportation

decisions, which HUD believes will increase state, regional and local capacity to incorporate livability, sustainability, and social equity principles into land use and zoning.

White House Releases Neighborhood Revitalization Initiative

To help develop and execute the Obama Administration's Place-Based policies, the White House has developed a "Neighborhood Revitalization Initiative" which is an interagency collaborative which seeks to support local communities as they attempt to resolve the interconnected problems that exist in high-poverty neighborhoods.

According to the White House paper (see the link), the Initiative seeks to increase the quality of a neighborhood's (1) educational and developmental, (2) commercial, (3) recreational, (4) physical, and (5) social assets. HUD is a partner in the Initiative, which focuses on several place-based strategies, including Choice Neighborhoods.

Link: http://www.whitehouse.gov/sites/default/files/nri_description.pdf.

COSCDA Upcoming Events

Date	Event	Location
March 14-15, 2011	Program Managers Training Conference	The Dupont Hotel, Washington D.C.
June 7 – 10, 2011	CDBG Boot Camp Training	The Dupont Hotel, Washington D.C.
September 18-21, 2011	Annual Training Conference	Des Moines Marriott Downtown Des Moines, IA
March 12-13, 2012	Program Managers Training Conference	The Dupont Hotel, Washington D.C.
June 5 – 8, 2012	CDBG Boot Camp Training	The Dupont Hotel, Washington D.C.

Has your contact information changed? Please submit any changes to Angel Billingsley at abillingsley@coscda.org.

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