
Virginia Neighborhood Stabilization 2 Program

Interchange
June 5, 2009



Agenda

- Introductions
 - NSP 1 Update
 - NSP2 – Major Policy Changes
 - Idea Exchange
 - Next Steps
-

NSP 1 Update

- Planning Grants
 - Seven awarded and under contract
 - Expected to submit a Competitive application

 - Open Submission
 - Closed, was open through April 3
 - Will award approximately \$24 million
 - Already announced (\$7 million)

 - Competitive
 - Applications due July 1, 2009
 - Approximately \$9 million available

 - Performance Pool
 - Unobligated funds, recaptured funds, and Program Income
 - Use by high performers
 - Incentive to act swiftly
-

Major Policy Changes

■ Availability

- ❑ Competitive, open to ULG, NPO, states, consortia of nonprofits
 - ❑ Applications due by 7/17/09
 - ❑ \$1.93 billion for implementation; separate funding for T/A
-

Major Policy Changes

- Capacity
 - Two years to expend 50 percent of funds
 - Three years to expend all
 - Request at least \$5 million and return at least 100 homes to productive use of eliminate / mitigate their negative effects
 - Successfully carried out and completed activities eligible under NSP notice involving at least 75 units of housing
 - Housing counseling
 - Acquisition / disposition of housing
 - Rehabilitation of housing as part of a neighborhood stabilization, land banking, or community development program
 - Within the 24-month period immediately preceding announcement
-

Major Policy Changes

- Discount

- One percent minimum for each property
- Five percent portfolio average

- Program Income

- Original guidelines repealed
 - Follows normal CDBG regs
-

Major Policy Changes

- Demonstration of Need
 - Based on HUD data; web-based
 - Two foreclosure needs scores at Census tract level
 - One based on estimated and percentage of foreclosures
 - Second (vacancy) combines foreclosures and vacancy rate
 - Ranges from 1-20
 - Average foreclosure index for target must be 18 or greater, or
 - Average foreclosures with vacancy risk index score for target is 18 or greater
 - Target areas do not have to be contiguous
-

Major Policy Changes

- Vacant properties

- Acknowledges some neighborhoods would be stabilized by a reduction in distressed housing and selected acquisition / rehab
 - Will give credit to communities that have a vacancy problem and strategy
 - Must plan demo or acquisition and rehab of 25 currently vacant properties in target areas
 - Not more than 10 percent can be used unless exception granted by HUD
-

Major Policy Changes

- HUD Rating – 150 point scale
 - Need – Geography / targeting and Market conditions
 - Capacity – Past experience and Management structure
 - Soundness of approach – proposed activities, completion schedule, income targeting, continued affordability, consultation / outreach / communications
 - Leveraging
 - Energy-efficiency improvement and sustainable development
 - Neighborhood transformation and economic opportunity
-

Idea Exchange

- Obstacles
 - Changing market; property availability
 - Trouble filling roles
 - 25/50 strategy
 - Waiting for DHCD
 - Financing

 - What are most difficult parts?

 - What are the biggest impediments?

 - How could some technical assistance help?

 - What can we do to speed up the process?
-

Idea Exchange

- Interested?
 - Apply on own?
 - Partner with state – What is state's role?

 - Needs scale
 - Choose one
 - Foreclosure Index
 - Vacancy Index

 - Overlap with NSP 1 Implementation
 - Capacity issues?
 - How do we ensure performance?
-

Idea Exchange

- Who Can Partner?
 - Local government endorsement?
 - How do we ensure coordination?
 - Grant size – minimum / maximum?
 - Targeting
 - Throughout eligible Census tracts?
 - More targeted?
-

Next Steps

- Pre-Application to DHCD by 6/19
 - Online at www.dhcd.virginia.gov/nsp
 - Market Conditions
 - Experience and Partners
 - Past Products and Expected Production
 - Proposed Census tracts
 - 25/50 Strategy

 - Review and Assess

 - Collect More Information

 - Advertise by 7/2

 - Application to HUD by 7/17
-

Questions

Chris Thompson

804-371-7056

Chris.Thompson@dhcd.virginia.gov

Cheri Miles

804-371-7114

Cheri.Miles@dhcd.virginia.gov
