



**Neighborhood Stabilization Program
Funding Application Instructions**

Applications Due

Wednesday, January 28, 2009, 5:00 PM

Submit electronically to: mhfa.app@state.mn.us

Hard copy attachments may be submitted to:

Attn: Ruth Simmons
Minnesota Housing
400 Sibley Street Suite 300
St. Paul, MN 55101

Faxed or late proposals/applications will not be accepted.

Eligible Applicants:

The following entities may apply for NSP funding:

1. Local units of government (including HRAs, EDAs, CDAs, PHAs),
2. that operate in zip codes or counties identified as areas of greatest need, except those in:
 - Anoka County
 - Dakota County
 - Hennepin County.

(Within the jurisdictions of Anoka, Dakota, and Hennepin counties, only entities directly receiving NSP funds from HUD may apply.)

3. and have experience administering CDBG or who have an agreement with an experienced CDBG administrator to administer the NSP funds on the local government's behalf.

“Experience in administering CDBG” or an “experienced CDBG administrator” means the following:

1. A local unit of government that has had an open CDBG grant directly from HUD or the Minnesota Department of Employment and Economic Development (DEED) within the past three years, and
2. performs the administrative functions associated with successfully administering the program. (Examples: Performing environmental reviews and requesting the release of funds; monitoring Davis-Bacon requirements; managing CDBG draws; selecting recipients of CDBG assistance and determining their eligibility; preparing and entering into agreements with entities receiving funds from the local government; receiving and managing program income; etc.)

Eligible applicants operating under any of the zip codes and counties identified can apply for funding under all applicable pools.

Pool Categories being addressed through the application:

NSP entitlement areas with high-need zip codes (Anoka and Hennepin counties and the cities of Minneapolis and St. Paul) that will receive NSP funds directly from HUD;

High-need zip codes outside the NSP entitlement areas;

Communities in one of Minnesota's 23 high-need counties, with funds available on a competitive basis separately in the Twin Cities Metro Area and Greater Minnesota;

See pool tables 4a, 4b, and 5 in Appendix A of this document for more information on the pools of funds.

Application Materials to complete:

Applicants are required to complete the following application materials:

1. The Neighborhood Stabilization Program (NSP) Application and Activity Worksheets
2. High Need Zip Code Budget, if applying under the high need zip code pool
3. High Need County Budget, if applying under the high need county pool
4. Certification Form

Funding Application

Application Sections:

Section 1. – General Information

Section 2. – Activity Information

Section 3. – Capacity Information

Section 4.a. – Impact on Targeted Neighborhoods – High Need Zip Code Pool

Section 4.b. – Impact on Targeted Neighborhoods – High Need County Pool

Section 5.a. – Feasibility and Degree of Readiness – High Need Zip Code Pool

Section 5.b. – Feasibility and Degree of Readiness – High Need County Pool

Section 6. – Optional – Additional Funds Requested

Section 7. – Attachments

Attachments:

A. Activity Worksheets

1. Funding mechanism for purchase and redevelopment of foreclosed upon homes and residential properties.
2. Purchase and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon
3. Land banking for homes foreclosed upon
4. Demolition of blighted structures
5. Redevelopment of demolished or vacant properties

B. Budget Worksheets(s)

C. Executed Certification Form

Required Submittals:

A. Local Housing Standards

- B. Limited English Proficiency Plan
- C. Affirmative Fair Housing Marketing Plan
- D. Neighborhood Stabilization Area Map(s) and Plan(s)
- E. Leverage Commitment Letters
- F. Letters of Support

Application Features:

This application has several sections as noted above. Some sections are required for all applicants, others are only required if applicable to the applicant based on the specific NSP activity or pool of funds being requested. All parts of the application submittal are found on the NSP webpage at:

http://www.mnhousing.gov/resources/apply/MHFA_007433.aspx. Note that there are multiple documents posted on the webpage, all of which are required for a complete application:

1. Funding Application and Activity Worksheets:
http://www.mnhousing.gov/idc/groups/homes/documents/webcontent/mhfa_007630.pdf
2. High Need Zip Code Budget:
http://www.mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_007490.xls
3. High Need County Budget:
http://www.mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_007490.xls
4. NSP Certification:
http://www.mnhousing.gov/idc/groups/multifamily/documents/webasset/mhfa_007488.rtf

Technical Assistance Materials:

In addition to these instructions, applicants are encouraged to review additional materials made available on Minnesota Housing's website to provide further guidance in the preparation of NSP proposals. These documents include:

1. NSP Concept document
2. FAQ document
3. Technical assistance webinar
4. Links to other resources

Check the NSP web page at:

http://www.mnhousing.gov/resources/apply/MHFA_007433.aspx

Board Approval:

Recommendations for Minnesota Housing's NSP proposal selection will be made at the February 2009 Minnesota Housing Board meeting.

Fund Notification:

1. Notification of Minnesota Housing's NSP selected proposals will be posted on Minnesota Housing's website the Monday following the Board meeting.
2. Agreements will be mailed to the applicant within 10 working days of Minnesota Housing's Board date.

3. This request for proposal is subject to all applicable federal, state, and municipal laws, rules, and regulations.
4. Minnesota Housing reserves the right to modify or withdraw this NSP application at any time and is not able to reimburse any applicant for costs incurred in the preparation or submittal of proposals.
5. It is the policy of Minnesota Housing to further fair housing opportunity in all of Minnesota Housing's programs and to administer its housing programs affirmatively, so that all Minnesotans of similar income levels have equal access to Agency programs regardless of race, color, creed, religion, national origin, sex, sexual orientation, marital status, status with regard to receipt of public assistance, disability, or family status.

Overview of application sections:

Section 1. General Information

In this section you are asked to provide information about your organization, to identify the pool of funds for which you are applying and general information about how you will meet some of the requirements of the NSP. In completing this section, refer to the following definitions:

NSP entitlement city or county. Local unit of government receiving NSP funds directly from HUD.

Non-NSP entitlement areas. Geographic areas that are not receiving NSP funds directly from HUD.

Experienced CDBG Administrator. Performs CDBG administrative functions; such as, environmental reviews and processing requests to release funds; monitoring Davis-Bacon requirements; managing CDBG draws; selecting recipients of CDBG assistance and determining their eligibility; preparing and entering into agreements with entities receiving funds from the local government; receiving and managing program income; etc.

Local unit of government. City, County, HRA, PHA, EDA, CDA.

High Need Zip Code. 37 zip codes either assigned a maximum distribution in an NSP entitlement area or assigned a maximum distribution greater than \$500,000 in a non-NSP entitlement area under Minnesota Housing's funding formula. See tables 4a and 4b from Minnesota Housing's NSP Action Plan and included in Appendix A below.

High Need County. 23 counties identified in Minnesota Housing's NSP Action Plan and included in Appendix A below.

Section 2. Activity Information

In this section you are asked to identify the geography in which you plan to undertake neighborhood stabilization activities, to provide information on the types of activities you plan to undertake, as well as the households you will serve,

and to describe why you chose the activities you did. Note that you also need to complete Activity Worksheets for each activity for which funds are requested.

Applicants are required to use 25.4% of their total NSP funds (including admin and any projected program income) for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of area median income. HUD has advised that only activities A and B under the HERA NSP statute (funding mechanisms and acquisition and rehabilitation) can meet this requirement.

Applicants applying for more than one pool of funds should be sure to complete BOTH 1.a. and 1.b, 3.a and 3.b, as well as both upper and lower sections of the chart in 2.

Section 3. Capacity Information

In this section you are asked about your experience administering federal funds and to identify who will be responsible for ensuring compliance with various program requirements. You are required to describe significant populations with limited English proficiency and your plan for informing them of available NSP resources.

Note that you also need to attach your affirmative fair housing marketing plan and your NSP Certification Form.

Applicants applying for more than one pool of funds should be sure to complete BOTH sections B1 and B2.

Sections 4a and 4b. Impact on Targeted Neighborhoods

Applicants applying for the High-Need Zip Code pool are required to complete Section 4a; applicants applying for the High-Need County pool are required to complete Section 4b; applicants applying for both pools are required to complete both Section 4a and 4b.

In these sections you are asked to describe the area(s) you are targeting for neighborhood stabilization and how you intend to make an impact there. Note you are required to attach a map(s) of your identified area(s), as well as your local neighborhood stabilization plan, if you have one.

In completing these sections, applicants should refer to the following definitions:

Residential properties. For purposes of these sections of the application, residential properties include both owner-occupied and rental properties, as well as vacant lots.

Abandoned properties. HUD defines an abandoned property as one where mortgage or tax foreclosure proceedings have been initiated for that property, no

mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

Sections 5a and 5b. Feasibility and Degree of Readiness

Applicants applying for the High-Need Zip Code pool are required to complete Section 5a; applicants applying for the High-Need County pool are required to complete Section 5b; applicants applying for both pools are required to complete both Section 5a and 5b.

In these sections you are asked to provide an estimated schedule and expected outcomes for each activity for which NSP funds are requested. Note you are required to attach a Budget Worksheet for each pool of funds for which you are applying. The worksheet(s) should include committed and pending leverage for the overall neighborhood stabilization effort. You are required to submit letters of commitment and/or support to substantiate the leverage.

Applicants are encouraged to be realistic in responding to question 6 about their schedule of expected outcomes. Minnesota Housing intends to evaluate subrecipient performance in meeting the expected outcomes and may re-allocate resources if progress is insufficient.

Section 6. Additional Funds Requested.

This section is optional and is to be completed only if you want to apply for additional funds, should they be available.

Section 7. Attachments.

This section lists the required attachments and submittals. Note that the Budget Worksheet(s) and the Certification Form are separate documents you can download at:

http://www.mnhousing.gov/resources/apply/MHFA_007433.aspx.

Attachment A – Activity Worksheet.

You are required to complete an activity worksheet for each of the 5 types of NSP-funded activities you plan to undertake as part of your neighborhood stabilization plan. If applying for both pools of funds, please give a complete narrative that will cover both the High-Need Zip Code pool and the High-Need County pool.

Note that acquiring abandoned or foreclosed upon homes and residential properties is a separate activity from land banking or demolishing blighted structures. Be sure you complete an Activity Worksheet for each component of your local neighborhood stabilization program. You may find it helpful to consult both Minnesota Housing's and HUD's FAQ documents. These are updated periodically and available at

http://www.mnhousing.gov/resources/apply/MHFA_007433.aspx and

[http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoods pg/](http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoods/pg/), respectively.

Contact for questions on the NSP funding application:

Contact any member of the NSP application team regarding questions related to the application features.

<u>Contact</u>	<u>Tel. Number</u>	<u>E-Mail</u>
Ruth Simmons	651.297.5146	Ruth.Simmons@state.mn.us
Carol Dixon	651.296.0756	Carol.Dixon@state.mn.us
Devon Pohlman	651.296.8255	Devon.Pohlman@state.mn.us
Robert Russell	651.296.9804	Robert.Russell@state.mn.us

APPENDIX A

Non-Competitive Pool: NSP Entitlement Areas (see Table 4a from Minnesota Housing's NSP Action Plan reproduced below)

Eligible Applicants are limited to NSP entitlement entities (Anoka and Hennepin counties and the cities of Minneapolis and St. Paul). NSP-funded activity is limited to the high-need zip codes displayed below, but may be concentrated in one or more of them.

Zip Code	NSP Entitlement	Maximum Distribution from Minnesota Housing
55303	Anoka	\$564,634
55433	Anoka	\$459,409
55421	Anoka	\$394,999
55304	Anoka	\$364,167
55448	Anoka	\$331,449
55434	Anoka	\$300,187
55330	Anoka	\$91,799
Anoka Subtotal		\$2,506,643
55024	Dakota	\$0
55075	Dakota	\$0
55044	Dakota	\$0
Dakota Subtotal		\$0
55443	Hennepin	\$709,438
55430	Hennepin	\$594,023
55429	Hennepin	\$529,601
55444	Hennepin	\$479,179
55422	Hennepin	\$415,412
55428	Hennepin	\$407,048
55445	Hennepin	\$277,847
55316	Hennepin	\$261,210
Hennepin Subtotal		\$3,673,757
55411	Minneapolis	\$2,482,799
55412	Minneapolis	\$1,588,750
55407	Minneapolis	\$880,129
55418	Minneapolis	\$455,705
55430	Minneapolis	\$203,889
Minneapolis Subtotal		\$5,611,272
55106	St. Paul	\$2,006,214
55104	St. Paul	\$740,964
55101	St. Paul	\$519,378
55107	St. Paul	\$366,027
55103	St. Paul	\$328,349
55117	St. Paul	\$299,532
55119	St. Paul	\$299,315
St. Paul Subtotal		\$4,559,780
CATEGORY TOTAL		\$16,351,453

Non-Competitive Pool: Non-NSP Entitlement Areas (see Table 4b from Minnesota Housing's NSP Action Plan reproduced below).

Eligible applicants include local units of government whose jurisdiction includes any of the identified high need zip codes listed here. Local units of government who have contracted with other entities to administer CDBG funds and do not have direct experience administering CDBG funds must contract with an experienced CDBG administrator to administer the NSP funds.

Zip Code	Maximum Distribution from Minnesota Housing	Counties (listed alphabetically)
55371	\$796,254	Benton Isanti Mille Lacs Sherburne
55398	\$631,819	Isanti Sherburne
55040	\$552,855	Isanti
55117	\$711,514	Ramsey
55119	\$581,726	Ramsey
55421	\$85,513	Ramsey
55379	\$734,988	Scott
55309	\$940,676	Sherburne
55330	\$715,446	Sherburne Wright
55016	\$642,035	Washington
55313	\$543,883	Wright
55362	\$523,923	Wright
CATEGORY TOTAL	\$7,460,632	

Competitive Pools (see Table 5 from Minnesota Housing's NSP Action Plan reproduced below).

Competitive funds have been allocated on a geographical basis, at the county level and divided into pools for the Twin Cities Metro Area, Greater Minnesota and a General Pool. Eligible applicants include local units of government whose jurisdiction are within or are the following counties: Anoka, Benton, Carver, Chisago, Crow Wing, Dakota, Dodge, Hennepin, Isanti, Kanabec, Le Sueur, Meeker, Mille Lacs, Olmsted, Pine, Ramsey, Rice, Scott, Sherburne, St. Louis, Stearns, Washington and Wright. NSP activity must be undertaken in the identified county and must be included in a local neighborhood stabilization plan. Eligible applicants who are eligible to apply under the Non-Competitive Pool may also request additional funds under the Competitive Pools, but may not use the competitive funds in zip codes identified under the Non-Competitive Pool.

Competitive Pools	
Twin Cities Metro Area	\$ 2,937,309
Greater Minnesota	\$ 6,026,541
General Pool	\$ 1,893,995
Competitive Pool Total	\$10,857,845