

Working with HUD: NSP, Stimulus Package and More

Find out about different HUD programs and how to take advantage of them. How does the Neighborhood Stabilization Program (NSP) work? Other HUD energy and green initiatives those are available to cooperatives. Lead base Paint reduction and abatement funds that are available and where to go to apply.

Overview

Introductions:

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Stimulus Program:

Bulk of the money went to Public Housing Administration (PHA) and mortgage bailouts. The following is a list of programs that are available to HUD Cooperatives:

1. Neighborhood Stabilization Program
2. Community Development Grants
3. Lead Hazard Reduction
4. Assisted Housing Stabilization & Energy & Green Retrofit and
5. Weatherization Assistance Program (WAP) with the Department of Energy
6. NOFA Grants

What is out there in HUD Land?

Promoting Energy Efficiency and Creating Green Jobs

These investments are powerful vehicles for economic recovery because they work quickly, are labor-intensive, create jobs where they are needed most, and lead to lasting neighborhood benefits. Many will also reduce greenhouse gas emissions and save Americans money by retrofitting housing to make it more energy efficient.

Public Housing Capital Fund: \$4 billion invested in energy efficient modernization and renovation of our nation's critical public housing inventory.

Native American Housing Block Grants: \$510 million invested in energy efficient modernization and renovation of housing maintained by Native American housing programs, and the development of sustainable communities.

Assisted Housing Energy Retrofit: \$250 million invested in energy efficient modernization and renovation of housing of HUD-sponsored housing for low-income, elderly, and disabled persons.

Lead Hazard Reduction: \$100 million invested in lead based paint hazard reduction and abatement activities.

Supporting Shovel-Ready Projects and Assisted Housing Improvements

These investments will support a broad range of housing and community development projects that are ready to go. Many of these projects have been held up for lack of private investment due to fallout from the broader economic crisis and credit crunch.

Project-Based Rental Assistance: \$2 billion invested in full 12-month funding for Section 8 project-based housing contracts. This funding will enable owners to undertake much-needed project improvements to maintain the quality of this critical affordable housing.

Promoting Stable Communities and Helping Families Hardest Hit by the Economic Crisis

These investments will help communities and families that have experienced the brunt of the economic downturn. Resources will be used to stabilize and revive local neighborhoods and housing markets with heavy concentrations of foreclosed properties. Funds will also assist the vulnerable families and individuals who are on the brink of homelessness or have recently become homeless.

Neighborhood Stabilization Program: \$2 billion invested in mitigating the impact of foreclosures through the purchase and rehabilitation of foreclosed, vacant properties in order to create more affordable housing and renew neighborhoods devastated by the economic crisis.

Homelessness Prevention: \$1.5 billion invested in preventing homelessness and enabling the rapid re-housing of homeless families and individuals, helping them reenter the labor market more quickly and preventing the further destabilization of neighborhoods.

Community Development Block Grants: \$1 billion for approximately 1,200 state and local governments to invest in their own community development priorities. Most local governments use this investment to rehabilitate affordable housing and improve key public facilities - stabilizing communities and creating jobs locally. Tribes that received Indian Community Development Block Grant funds in fiscal year 2008 are eligible to compete for a portion of these the CDBG funds

What is the Neighborhood Stabilization Program (NSP)?

Congress created the Neighborhood Stabilization Program to help cities, counties and states deal with community problems that are the result of the mortgage foreclosure crisis in the nation. HUD provides money to about 250 local governments (cities and counties) and all 50 states. Generally, the money must be used to buy, fix up, and resell foreclosed and abandoned homes. As long as the funds are used for this redevelopment, the units of government that receive HUD funds decide how to use the funds and what specific redevelopment activities to undertake.

HUD's Neighborhood Stabilization Program was created to address the housing crisis, create jobs, and grow local economies by providing communities with the resources to purchase and rehabilitate vacant homes. NSP grants are helping state and local governments, as well as non-profit developers, acquire land and property; demolish or rehabilitate abandoned properties; and/or offer down payment and closing cost assistance to low- to middle-income homebuyers. Grantees can also stabilize neighborhoods by creating "land banks" to assemble, temporarily manage, and dispose of foreclosed homes.

Although NSP was created to help single family home neighborhoods the can be also used for multifamily project. Early this year, New York City Housing Authority (NYCHA) received 423 million in NSP funding to upgrade their housing stock.

How can I get help with NSP?

There are two separate types of requests for help you can submit to the NSP Resource Exchange website. Please consider the definitions below before deciding which form to fill out.

Ask a Question:

NSP grantees and their partners can submit technical questions related to NSP by using the Ask a Question button on the top of the right sidebar. Individuals requesting answers to questions will need to provide their contact information, relationship to an NSP grantee, and the question that they would like answered.

The NSP Resource

What is NSP Resource Exchange?

NSP Resource Exchange is a one-stop shop for the information and resources needed by NSP grantees, sub recipients and developers to purchase, rehabilitate, and resell foreclosed properties.

NSP Resource Exchange is a dynamic site, adapting to respond to the needs of our users. Please send us your questions or suggestions about the functionality of the NSP Resource Exchange website or about the accessibility or usefulness of any of the resources or products listed on this site.

To learn more about the background of the NSP program, see the About NSP page. Exchange staff will respond to the question within two to three business days.

Make a TA Request

Individuals can also submit a request for an NSP grantee or their nonprofits or developers to receive technical assistance specific to NSP by using the Make a TA Request button on the top of the right sidebar. NSP grantees requesting technical assistance for themselves or their partners must provide contact information and a description of the need for technical assistance. Once the request is submitted, a confirmation email with your request number will be sent. The NSP Resource Exchange staff will provide an initial response to the request within two to three business days.

What kinds of resources are available on NSP Resource Exchange?

The resource links on the right hand side of the NSP Resource Exchange main page allow users to browse resources by topic area, audience, and type.

Resources by Topic: Find resources categorized by NSP areas — Program Requirements and Rules, Program Design, Program Administration, Grant Management, Project Financing, Financial Management, Other Federal Requirements, and Construction.

Resources by Audience: Find resources specific to your role — NSP-1 Grantee, NSP-2 Grantee, Nonprofit, Developer, and Other.

Resources by Type: Browse resources by type — Training Materials, Sample Procedures, Tools and Checklists, HUD Notices, HUD Guidance, HUD Federal Register, Frequently

Asked Questions, Reports, and Other.

Additional information about the NSP Program is available at the HUD NSP website at [www .hud.gov/nspta](http://www.hud.gov/nspta)

Community Development Block Grants (CDBG)

Approximately 1 billion dollars has been appropriated for CDBG under Section 105 of the Housing and Community Development Act of 1974. The purpose is to stabilize property values and to prevent neighborhood blight. CDBG funds are used for infrastructure activities, housing activities, economic development, real property acquisition and administration costs. You must meet one to the three CDBG objectives:

- ✓ Provide benefits to low and moderate income persons
- ✓ Eliminate slums and blighting conditions
- ✓ Address urgent needs and/or imminent threats within the community.
- ✓ All work must be done through a HUD Approved “grantees”.

LEAD HAZARD REDUCTION

Lead Paint 'Big Buy' Program Funded

A limited amount of funding may remain to assist qualifying properties for HUD's "Big Buy" reimbursement program. The program was established to reimburse eligible properties for some or all of the costs of obtaining a lead hazard risk assessment required to comply with the Lead Safe Housing Rule (24 CFR Part 35). It has been plagued by funding deficiencies since it was rolled out in 2000.

More than 4,000 properties signed up for the program, although many have never received their reimbursement. HUD has dropped many properties, asserting that they are no longer eligible or have not responded to letters sent by HUD. Members are urged to check HUD's original list to ensure that they did sign up for the program. HUD has also provided us with its current, smaller list of eligible properties as well as a document outlining eligibility. Projects who signed up for the Big Buy program and remain eligible may still be able to receive a lead inspection or reimbursement for an already completed inspection. Information, including HUD's lists and information on what to do if your property is on the list and has not been contacted by HUD, is available at HUD.

HUD's new Big Buy Reimbursement Program is designed to assist property owners with meeting the financial impact of complying with the Lead Safe Housing Rule. The Big Buy program reimburses owners of a limited number of properties for some or all the cost associated with the obtaining the required lead hazard risk assessment.

To be considered for financial assistance, an owner must receive a letter from HUD inviting the enrollment of a specific property in the Big Buy Reimbursement Program. Owners receiving this letter will be required to:

Complete the required **owner's statement of interest**, and **property profile verification form**. Follow instructions on the form for proper submission.

Employ an independent certified risk assessor to perform the required lead risk assessment. The risk assessment must be performed after September 30, 2008 in accordance with the requirements set forth in Section 35.1320(b) 24 CFR. **HUD's Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing** (the HUD Guidelines) provides detailed discussion regarding the process for performing a risk assessment and preparing a risk assessment report.

The risk assessment report must meet the technical requirements set forth in the HUD Guidelines, the U.S. Environmental Protection Agency (EPA), and state and local government requirements applicable to the jurisdiction in which the property is located. The completed risk assessment report must be delivered as an Adobe Acrobat PDF or Microsoft Word file to HUD's quality assurance contractor, **Consolidated Safety Services, Inc.** ("CSS"), no later than September 30, 2009.

The owner must provide HUD's reimbursement contractor, **Healthy Resources Enterprises, Inc.** ("HRE"), with a copy of the invoice from the risk assessor at the same time that the risk assessment report is submitted to CSS.

Assisted Housing Stabilization & Energy & Green Retrofit

WHAT IS GREEN

Green vs. Sustainable vs. Energy Efficient

- Energy usage
- Water usage
- Indoor Air quality
- Natural resource depletion, trees, land use, density
- Waste reduction
- Toxicity in Ground Water
- Storm water volume capacity limitations
- Transportation Integrated Design
- Carbon Footprint, ozone depletion, global warming, climate change
- Energy Independence

Alternative Green Products

- Reflective roofs vs. standard built up
- Low formaldehyde cabinets
- Linoleum vs. VCT flooring
- Recycled content mortar for pointing
- Higher Efficiency boilers, hot water heaters, windows
- Energy, water, humidity – Monitoring

GREEN OPERATIONS AND MAINTENANCE PLAN

How does a Green O&M plan differ from a normal O&M

- ❖ Use of green cleaning products
- ❖ Use of green paint
- ❖ Commitment to energy or water efficient replacements & repairs
- ❖ Education of residents for energy conservation and recycling
- ❖ Certification of at least one site manager in green property management
- ❖ Moisture and Mold Control plan
- ❖ Plan for increased diversion rate for recycling, or special recycling for toxic products such as batteries and computers
- ❖ Integrated Pest Management Plan

Green Team Leader

- 1) Receives training
- 2) Responsible for:
 - i) Roll out practices
 - ii) Resident outreach
 - iii) Documentation

For more information go to: <http://www.gogreeninitiative.org/>

Green Retrofit Program

- A. Funding is available for Section 8, 202, 811 and 515 properties with project based assistance
- B. There are some limits to the program
- C. Maximum per-unit improvements of \$15,000.00
- D. Green & Energy retrofits only (improvements that conserve energy and water, improve indoor air quality or benefit the environment)

Benefits to Residents

- a) May replace old, inefficient appliances
- b) Keeps members warmer in winter & cooler in summer
- c) May reduce dust, mold and pests---without toxic pesticides
- d) May provide healthier home

Benefits to the cooperative

- a. No cost to most cooperatives
- b. Provides access to green materials, systems and technologies
- c. Contributes to energy & water conservation
- d. Share in future utility savings

HUD Data on Properties Eligible for Weatherization Assistance

Background

On January 25, 2010, the Department of Energy (DOE) implemented a new rule for its Weatherization Assistance Program ("weatherization program"). Under the new rule, if a public housing, assisted multi-family or Low Income Housing Tax Credit (LIHTC) building is identified by HUD and included on a list published by DOE, that building meets DOE's weatherization program income requirements without the need for further evaluation or verification, and may meet certain other program requirements.

The DOE lists are posted at:

http://www.eere.energy.gov/wip/multifamily_guidance.html.

A minimum requirement for inclusion on these lists is that at least two-thirds of the residents of the building (50 percent for 2-4 unit buildings) must meet DOE's income eligibility requirement, which is currently set at 200 percent of the federal poverty level.

Note that an assisted housing building that does not appear on the list based on HUD records may still qualify for the weatherization program; that determination can be made on an individual basis by the local weatherization agencies that implement the program based on information supplied by property owners.

State Prioritization

The rule expressly indicates that generally, income-qualified assisted housing properties may be eligible recipients of weatherization funds. The rule does not, however, require states or Local Weatherization Agencies (local agencies) to provide weatherization funds to these properties. States are not required to establish a particular prioritization with regard to the weatherization of multi-family buildings.

In order to find weatherization program information and contacts in your state, please go to <http://waptac.org/sp.asp?mc=what> contacts.

- **Assisted Housing (See DOE List 1 or List 2):**

Assisted Housing buildings are included either in DOE List 1 (those with affordability contracts of three or more years) or in DOE List 2 (those with fewer than three years). HUD maintains assisted housing records by property, which may include more than one building. Two categories of data were provided to DOE: (1) single-building properties where at least 66 percent of the residents meet DOE's income eligibility requirements, and (2) multi-building properties where 100 percent of the residents meet DOE's income requirements. Affordability agreements. The data for assisted housing further distinguish projects with more or less than three years remaining on their affordability contract with HUD. This relates to DOE's requirement regarding protection against rent increases unless clearly unrelated to the

weatherization assistance. Projects with three or more years remaining on their affordability contract are deemed to satisfy this requirement, and are not required to provide any additional documentation or verification with respect to this requirement. Projects with three or more years' remaining on their affordability contracts are included in DOE List 1. Projects with fewer than three years remaining on their affordability contracts are included in DOE List 2.

Note that states continue to have discretion under the rule to determine that properties with fewer than 3 years remaining on their affordability agreement also satisfy the protection against rent increase requirement. In addition, states may allow property owners to extend their current affordability agreements to meet the 3-year threshold requirement.

Other potentially eligible buildings

HUD records for assisted properties are at the property or project level. The DOE Final Rule requires that each building within a project meet the income qualification requirements (at least 66 percent - 50 percent for projects with fewer than 5 units - have incomes at or below 200 percent of the federal poverty level) in order to be included on the published eligibility list. In cases where an assisted project has more than one building and fewer than 100 percent of the units are income-eligible, HUD data may not be able to verify whether each of the buildings separately meets the DOE income qualification requirements. Therefore these properties are excluded from the published list.

Excluded projects may still be eligible for participation, subject to verification of income qualification at the building level. HUD is interested in recommendations as to the best approach for determining eligibility of buildings in these potentially eligible projects; comments should be forwarded to the email address below.

Additional DOE Requirements

Please note that owners of the buildings included in the data published by DOE must still satisfy all applicable eligibility requirements, including the requirement regarding an assurance that the benefits of weatherization assistance will accrue primarily to the low-income tenants. States may also require financial participation by the owner.

Data Availability and Update Schedule

The data provided by HUD to DOE represent the currently-available data for HUD Public Housing and Qualified Assisted Housing properties. These lists will be updated on or before March 31, 2010 to include data through December 31, 2009. HUD will update them annually by March 31 of each year to reflect updated data on tenant characteristics through the end of the prior calendar year.

Questions or Comments

Please contact HUD at energyaction@hud.gov with any questions or comments on the list.

HUD's Lead Safe Housing Rule Requirements For Weatherization Work in Public and Assisted Housing

When does HUD's Lead Safe Housing Rule apply?

Effective April 22, 2010 local weatherization agencies are required to comply with EPA's Lead Renovation, Repair and Repainting (RRP) requirements for most pre-1978 residences or child-occupied facilities. HUD's Lead Safe Housing Rule (LSHR) may also apply when weatherizing HUD-assisted pre-1978 housing if all of the following conditions are met:"

The housing authority or multifamily property owner is making an owner contribution towards the weatherization work, or otherwise using HUD assistance such as Community Development Block Grant (CDBG), HOME or Green Retrofit Program funds;

The property has not been determined to be free of lead-based paint by a certified lead-based paint inspector;

The amount of paint that is to be disturbed is more than 2 square feet in any room; and
The property is not designated for residence exclusively by the elderly or persons with disabilities (unless children under age 6 also reside there); zero-bedroom dwellings are also exempt.

How does the HUD Lead Safe Housing Rule compare to the EPA RRP rule?

The HUD Lead Safe Housing Rule differs from the EPA Renovation, Repair, and Painting (RRP) rule in the following ways regarding work in HUD-assisted housing:
Worker training- Typically, all workers must have passed a HUD- approved Lead Safe Work Practices course. Alternatively, if the project supervisor is a licensed Lead Abatement Supervisor, in addition to being a Certified Renovator as required by EPA, workers who have not passed a HUD- approved Lead Safe Work Practices course may receive on the job training in Lead Safe Work Practices from the project supervisor.

Preparation - Among other items, EPA-recognized lead paint test kits cannot be used to determine the presence or absence of lead-based paint: only a certified Lead Inspector or Risk Assessor can make the determination, using an XRF analyzer or an EPA-recognized laboratory.

Prohibited practices - There are three HUD-prohibited practices in addition to the three practices prohibited by both EPA and HUD: heat guns that char paint; dry scraping or sanding more than 1 foot from electrical outlets; and using volatile paint strippers in poorly ventilated spaces.

Minimum area threshold- HUD requires the use of lead safe work practices and clearance when a smaller area is disturbed (2 square feet vs. EPA's 6 square feet).

Cleaning verification vs. clearance - HUD does not accept cleaning verification ("white glove test") by the Certified Renovator, but requires an independent clearance examination by a Certified Lead Paint Inspector or Risk Assessor.

Notification - HUD requires pre- and post-work notification to all occupants within 15 days; the EPA only requires notification to owners within 30 days.

(Note that if the amount of weatherization and other renovation work in pre-1978 HUD-assisted housing averages over \$5,000 per unit, then the HUD rule also requires that a risk assessment be done; alternatively, if a risk assessment is not done, all the deteriorated paint, all the dust, and all the soil with visible paint chip debris are presumed to be lead-based paint hazards. If the work averages over \$5,000 but no more than \$25,000 per unit, the hazards, whether known or presumed, must be controlled using Interim Controls and clearance. If the work averages over \$25,000 per unit, the hazards must be controlled by lead-based paint hazard abatement conducted by a certified lead abatement firm.)

There is a handy summary table of these differences in Appendix 2 of the EPA-HUD Model Certified Renovator Initial Training Course Student Manual* and additional information on at <http://www.hud.uov/offices/lead/traininii/rrp/rrp.cfm>.

PLEASE NOTE: THEY ARE SOME ENERGY TAX CREDITS THAT MAY BE PASSED ON TO YOUR MEMBERS – SPEAK TO YOUR COOPERATIVE PROFESSIONAL.

Notices of Funding Availability (NOFA) GRANTS: HUD issues hundreds of grant opportunities each year. This is a specialized field and the cooperative should work with a NOFA expert to take advantage of these grants.

Summary – outside of HUD

Energy Efficiency Conservation Grants – Department of Energy (DOE)

Weatherization (WAP) – DOE and HUD

Preservation Grants – Various

The following is a list from NAHC's Government Relations Committee Cooperative Funding Opportunities March 2009