

STATE OF MISSOURI NSP TRAINING

Sponsored by the Missouri Department of Economic
Development

Training Outline

- Program History , Background & Overview
- Eligible Uses of Funds
- Income Requirements
- Key Deadlines & Timeframes
- Environmental Requirements
- Labor Standards
- Procurement
- Financial Management
- MO NSP Web Portal

Training Outline - Continued

- Financial Management, Recordkeeping & Reporting
- Contract Management
- Equal Opportunity, Fair Housing & Accessibility
- Property Acquisition
- Program Monitoring & Oversight
- Project Closeout
- FAQs
- Key Definitions

Introduction

- Purpose of Training
 - ▣ Assist Missouri NSP Program Participants to:
 - Better Understand NSP Requirements
 - Satisfy Congressional Intent
 - Advance State and Local Goals & Objectives

Introduction

- Congressional Intent of NSP:
 - Stimulate Overall Economy
 - Assist Housing Market by Reducing Inventories of Vacant, Foreclosed Homes
 - Stabilize Neighborhoods with High Inventories of Vacant Housing
 - Assist Low- Moderate- and Middle-Income People to Obtain Quality Housing Opportunities

Introduction

□ NSP Materials

- Based Largely on CDBG Program Rules and Guides

- Library of Resources:

- Missouri State NSP Guide (new)
- NSP Regulations (Federal Register Dated October 6, 2008)
- NSP “Bridge Notice” (Docket FR-5255-N-02)
- FY 2009 State CDBG Administrative Manual
- State of Missouri 2005 Neighborhood Development Administrative Manual
- CDBG Regulations (24 CFR Part 570)
- Basically CDBG: Understanding the CDBG Program
- CDBG Guide to National Objectives & Eligible Activities for Entitlement Cities
- Managing CDBG: Guidebook for Grantees on Subrecipient Oversight

Introduction

- “Don’t Reinvent the Wheel!”
- NSP Based on CDBG with Few Exceptions
- Examples of NSP Exceptions:
 - ▣ NSP Allows Only One National Objective
 - ▣ NSP Increased Income Limits (120% of Median)
 - ▣ NSP Limited to Five Categories of Eligible Activities

Introduction



Watch for Red Flag! Indicates Issues of Particular Importance, Ways that NSP Differs from CDBG and/or Potential Problems to Avoid!

Introduction

- The Need for Speed!
- Congress Intended to Use NSP Funds ASAP!
- Critical Deadlines Must Be Met by State and Subrecipients (All Recipients of State NSP Funds)
- “Use or Lose!”

Income Requirements

- Significant Differences Between NSP & CDBG
- LMI Vs. LMMI
 - CDBG = Low- and Moderate-Income (LMI) = Section 8 = 80% of Area Median
 - NSP = Low- Moderate- and Middle-Income (LMMI) = 120% of Area Median
 - HUD Expects to Post 120% Area Median Statistics

Income Requirements

□ National Objectives

▣ Reduced from Three to One (LMI Benefit)

▣ LMI Options

- LMI Area Benefit – Area Must Be 51% LMMI (e.g., Demolition of Substandard Housing; Land Banks When Maintenance & Demolition Will Also Take Place)
- LMI Limited Clientele – LMMI Beneficiaries (e.g., housing counseling; public facilities or shelters for LMMI persons)
- LMI Housing Activities – LMMI Beneficiaries (e.g., Acquisition, Rehabilitation, Rental or Construction of Units; Homeownership Assistance; Redevelopment Infrastructure)

Income Requirements

- 25%/50% Rule
 - ▣ 25% + of State NSP Must Benefit Persons At or Below 50% of Area Median Income
 - ▣ State of Missouri Used Category 3 to Meet This Requirement
 - ▣ Category 1 & 2 Should Also Track
 - ▣ Test Based on \$\$\$ Expended, Not Units Assisted
 - ▣ Mostly Rental Assistance Due to Very Low Incomes

Income Requirements

- Bill Rotert
- Chuck Marinec

Key Deadlines & Timeframes

- **March 11, 2009** – State Grant Agreement with HUD
- **September 11, 2010** – 18 Months to Obligate Funds
- **March 11, 2013** – 4 Years to Expend Funds

Key Deadlines & Timeframes

- Deadlines Apply to Subrecipients & State!
- 18 Months to **Obligate** Means “Under Contract” for Specific Activities (e.g., Contracts to Purchase Specific Properties)
- 4 Years to **Expend** Means Cumulative Drawdowns of Funds

Key Deadlines & Timeframes

Impact of Program Income

- Grantees Expected to Generate Significant Amount of Program Income (Resale of Homes)
- Program Income Must Be Expended Before Drawing More Grant Funds
- Tests Based on Obligation/Expenditure of Equivalent Amounts of Total Grant Not Actual Draws

Key Deadlines & Timeframes



- ❑ **Failure to Meet Deadlines at State Level Can Result in Recapture of NSP \$\$\$ by HUD**
- ❑ State Will Carefully Monitor Subrecipient Performance
- ❑ State Will Recapture/Reallocate \$\$\$ as Necessary to Meet HUD Deadlines
- ❑ Accurate & Timely Reporting Critical

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Environmental Review & Requirements

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Missouri State Neighborhood Stabilization Program

ENVIRONMENTAL REVIEW
NEPA & 24 CFR PART 58
JULY 9, 2009



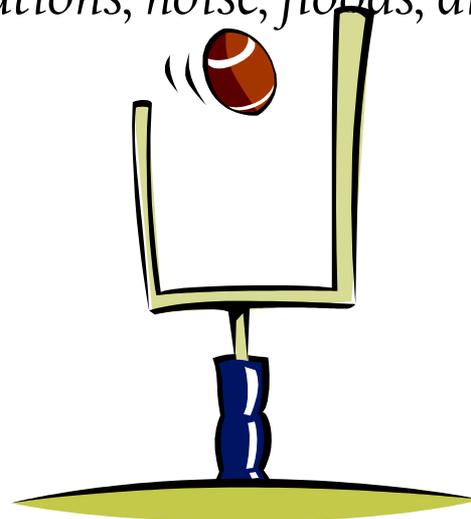
Goals of Environmental Review

□ Protect the **Environment**

- *Human environment as well as physical environment including humans, endangered species, wetlands, historic properties, air and water quality....*

□ Protect the **Project**

- *Toxic contamination, explosive operations, noise, floods, airport hazards....*



Tools & Resources

- ❑ 24 CFR Part 58 Regulation
- ❑ NSP Guidebook
- ❑ MO CDBG Administrative Manual
- ❑ Resource Notebook – *Online in August!*
- ❑ PowerPoint notes
- ❑ Environmental Agencies
- ❑ Websites
- ❑ Additional Guidebooks
- ❑ NSP Field Representative





HUD Regulation

24 CFR Part 58

Regulation for HUD's implementation of NEPA and related authorities:

- [24 CFR Part 58](#)

“Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities”

Become familiar with the regulation, found at

http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr58_04.html

or in the CDBG Environmental Resource Manual

Additional Resources

- HUD Webcast for the Environmental Review Process
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nspenvironmentalreq.cfm>
- HUD webcast ppt Briefing Slides,
<http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/nspenvironmentalreq.cfm>

What is NEPA?



- National Environmental Policy Act of 1969
 - our basic national charter for protection of the environment
- Established Council on Environmental Quality (CEQ)
(40 CFR Chapter V, 1500 - 1518)
- Federal agencies implement NEPA with their own regulations
- “Environmental values SHALL be given appropriate consideration in decision making

“Environmental Review” -

the examination of a project relative to NEPA and its related laws...



NEPA is the umbrella under which the review is conducted....Environmental topics and concerns are spokes of the umbrella.....



NEPA-Related Laws & Authorities (24 CFR Part 58.5)

- National Historic Preservation Act (1966)
- Wild and Scenic Rivers Act (1968)
- Clean Air Act (1970)
- Coastal Zone Management Act (1972)
- Noise Control Act (1972)
- Endangered Species Act (1973)
- Safe Drinking Water Act (1974)
- Floodplain Management & Wetlands Protection E.O.s (1977)
- Farmland Protection Policy Act (1981)
- HUD Environ. Criteria & Standards (1984)
- Environmental Justice E.O. (1994)

Other Requirements (24 CFR 58.6)

- ❑ Flood Disaster Protection Act – flood insurance required
- ❑ Coastal Barrier Resource Act – no development in coastal area
- ❑ Airport Runway Clear Zone – buyer notification





“Federal Agency”

[CEQ 40 CFR 1508.12]

- For the State CDBG & NSP program, this includes:

UNITS OF GENERAL LOCAL GOVERNMENT

that assume NEPA responsibilities under section 104(h) of the Housing and Community Development Act of 1974.



“Responsible Entity” (RE) - §58.2(a)(7)

- Section 104(g) of the Housing and Community Development Act of 1974 authorizes the HUD Secretary to allow *units of general local government and States to assume the status of federal official* under NEPA and NEPA-related environmental laws and authorities.
- This “assumption authority” allows cities, counties, states and Indian tribes to act as Responsible Entity (RE) in lieu of HUD for the purposes of NEPA review, decision-making and action.

Assumption Authority -

§58.4

- *Responsibility* - The environmental “buck” stops with the Responsible Entity. The responsibility cannot be delegated to another party/entity.
- *Responsible Entity* - Ensures that any conditions, procedures and requirements resulting from the environmental review process are incorporated into project plans and become implemented.





Sub-Recipient RE

- **Sub-recipients of NSP funds may include:**
 - ✓ In which the RE (unit of local government) applies for NSP funds on their behalf.
 - ✓ Non-profits
 - ✓ Regional Planning Commission/Council of Governments



Sub-Recipient Role

- Provides the RE with project and environmental information.
- Does not undertake activities prior to receiving authorization by the RE or HUD.
- Notifies the RE immediately about:
 - changes to the proposed project, or
 - if a new alternative is selected.
- Implements all special conditions, procedures and requirements of the environmental review.



RE role when a project involves a Sub-Recipient -

- RE must independently evaluate information provided by the Sub-Recipient.
- RE performs environmental review and provides Recipient with *Request for Release of Funds and Certification* (RROF) for DED/CDBG approval when required.



Limitation on Activities Prior to Clearance - §58.22(a)



- Recipient nor any third party participant in the project may not commit *HUD/CDBG* or *Non-HUD/CDBG funds* on an activity prior to approval if the activity would have an adverse environmental impact or limit the choice of reasonable alternatives.
- This limitation is rooted in all NEPA related authorities
 - Do not take action until compliance is achieved.

Cost of Performing the Review

- Grant funds may be used for environmental tasks after execution of grant agreement.
- If NSP funds are proposed to pay any contract, Federal procurement rules apply.
- Examples – Culture Resource Surveys or Phase I ESAs



Environmental Review Record & Contents (ERR) - \$58.38

- Written record of the environmental review undertaken for each project
- Shall be available for public review
- Shall contain all the environmental review documents, public notices, determinations or findings as evidence of review, decision making and action pertaining to a particular project





Updating ERR - §58.47

- **Re-evaluation of project or program:** Required when new activities added, unexpected conditions arise, substantial changes made to nature, magnitude or extent of project.
 - ▣ Changes/additions develop in existing project/program
 - ▣ Next phase of a closed project
 - ▣ Supplementing another agency's ERR
- ▣ **How to update an ERR**
 - ▣ Per 58.47 – Re-evaluation of environmental assessments and other environmental findings
 - ▣ Determine if proposed activities were included in prior ERR
 - ▣ If not –new environmental review likely
 - ▣ If so, narrative update could be used
 - ▣ Preparer and Certifying Officer sign and date
- **For Environmental Assessments (EAs)**
 - If original finding still valid: Update ERR with an Amendment
 - If original finding no longer valid: RE must prepare new EA and proceed with approval process (RROF)

Protocol For NSP ER Process

- MO NSP field representative assigned to recipient communities will be your initial POC for technical assistance and questions regarding environmental review process.
- MO NSP Field Representative may work with DED Environmental Officer, Jo Ann Dent, with technical questions.
- DED is approval authority for all environmental reviews under HUD NSP I.
- Session Law Firm will be advisors to MO DED and NSP Team.

Project Aggregation(\$58.32)

The RE must group together and evaluate as a single project, ALL individual activities which are related either on a geographical or functional basis, or are logical parts of a composite of contemplated actions.



ALL activities by ALL funding sources make up a project.



Levels of Environmental Review

58.34(a) – Exempt Activities (**less than one hour**)

58.35(b) – Categorical exclusions not subject to the laws and authorities at 58.5 – **CENST (less than an hour)**

58.35(a) – Categorical exclusions subject to the laws and authorities at 58.5 – **CEST (45-75 days)**

58.36 – Environmental Assessment – **EA (75-110 days)**

58.37 – Environmental Impact Statement – **EIS (1 ½ - 2 years)**



MO CDBG

Environmental Review Forms

- Either the HUD Forms or MO CDBG forms may be used to
complete and report the results of the environmental review
- Approved by HUD
- Questions lead you through the review
- Contact information and websites provided for obtaining
support documentation and/or agency clearances



Request for Project Review & Comment/Clearance

For CEST, EA, EIS levels of review

(Sample cover letter to environmental agencies, page IV-34)

How to complete it:

- Include the following in your letters to environmental agencies:
 - Name of the RE
 - Descriptive name of project
 - Detailed project location
 - Detailed description of project activities – should be identical to all other documents
 - Include the specific environmental impact area(s) you want reviewed, if known
 - Include a date for response – do not leave letters open-ended
 - 1 month from the date of receipt is best, if possible, depending on the nature and complexity of the project. More time should be allotted for complex and/or controversial projects.
 - Enclose a topo map, color photos, and other useful project information such as the PER/PAR
 - Preparer/project contact information
 - Copy me if you want



Consultation With Indian Tribes

CEST, EA, EIS levels of review

- No Federally recognized Tribal lands and/or reservations in MO however, consultation with Tribes is required as off Tribal lands may be ancestral homelands with religious and cultural significance to a Tribe.
- Section 106 Review for Historic Properties –
- RE must make reasonable, good faith effort to identify Tribes
- Contacts with Tribes should be done in a manner sensitive and thoughtful to tribal preservation interest and tribal sovereignty.
- Request for project review sample letter - Environmental Chapter, Page IV-32
- Tribal non-response follow-up letter - Page IV-33



How do I know which Tribes to contact?

- REs will access HUD's Tribal Directory which identifies Indian tribes and tribal contact information.
- The website provides State reports that link tribes to their counties of interest in the particular state.
- Consult the database each time a Section 106 Review is initiated as information in the directory is subject to change periodically.

HUD Tribal Directory:

http://www.hud.gov/offices/cpd/environment/tribal/mo/County_MO.pdf



Converting CEST to Exempt - §58.34(a)(12)

- No circumstances requiring compliance or compliance is met
- Complete *Statutory Checklist* document, then:
- If it converts to Exempt, complete the process for documenting an Exempt Activity/Project
- If not, proceed with applicable public notices, comment periods, & environmental approval from DED

Note: limitation on conversion - Example: Historic preservation can only convert if SHPO concurs with “No Historic Properties Affected.” [36 CFR 800.4(d)(1)]



Request For Release of Funds and Certification (RROF/C) for CEST & EA Levels of Review

What is it and why is it needed?

- RROF/C - HUD form 7015.15
- RE certifies compliance with NEPA , 58.5, 58.6, and applicable State & local laws
- RE Certifying Officer assumes NEPA responsibilities, accepts jurisdiction of federal courts
- Day after DED receives RROF/C form, a 15-day comment period begins
- To expedite this process, you may:
 - Fax (573/526-4157) or E-mail (joann.dent@ded.mo.gov) completed and signed RROF/C form to CDBG. Comment period commences day after fax received.
 - Mail original RROF/C and RE keeps an original.
 - With RROF/C, mail copy of NOI or C/N, whichever is applicable, affidavit of publication, and proof of notice distributions to environmental agencies and Indian Tribes.
- **On the 16th day, pending resolution of any issues or my receipt of addition information, I will issue Environmental Approval!**



Tiered Review - §58.15

Appropriate when evaluating a proposal at the early stages of development or when site-specific analysis not yet feasible.

- Tier 1: **Broad review**. Address all laws and authorities possible and establish a plan (narrative) for the site-specific or subsequent review. Publish public notice (NOI or NOI/RROF) and submit RROF.
- Tier 2: **Site-Specific review**. No public notice or RROF required unless unanticipated impacts or impacts not adequately addressed in prior review.



Source Documentation - \$58.38

Credible Documentation:

Federal, State, local oversight agency or recognized authoritative source.

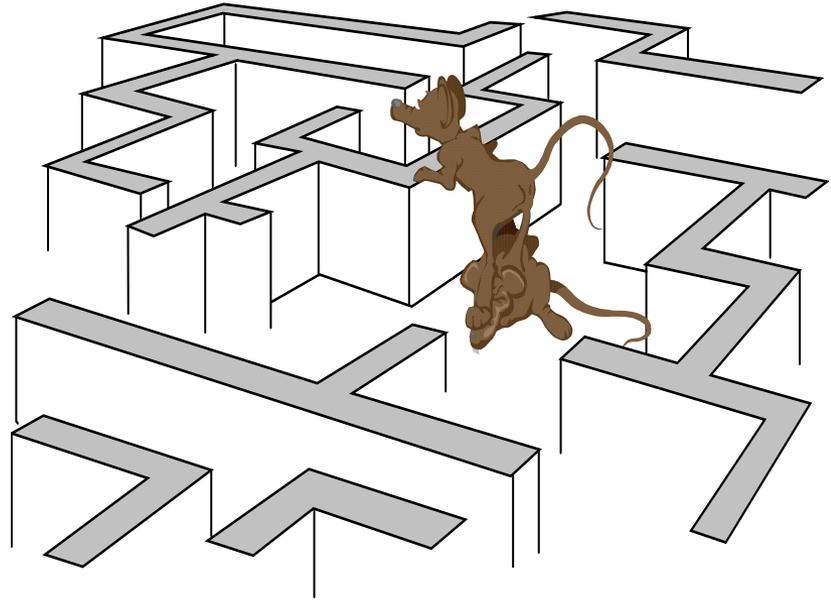
Examples:

- EPA or state department of environment quality
- Regional Planning Agency/Council of Governments
- US Fish and Wildlife Service
- State Historic Preservation Officer(SHPO)
- Local/County HAZ MAT coordinator
- Biologist/botanist/qualified professional

Source Documentation - continued

Verifiable Documentation

- City or County land use plans or comprehensive plans
- Maps – floodplain, zoning ,USGS topographical
- Historic registers
- Aerial photographs





Environmental Review Process In A Nutshell



- Determine & document level of environmental review
- Identify & document Exempt activities
- Complete appropriate HUD or CDBG forms for the level or review required
- Publish appropriate public notices and observe comment periods
- RROF/C process
- Implement project
- Implement any conditions or mitigation & document

Red Flags



- Homes currently in floodplain
- Homes with potential for significant asbestos and/or lead based paint
- Rehab or redevelopment near non-compatible land uses



Labor Standards

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Labor Standards

- NSP Labor Standards Requirements for NSP & CDBG Are Identical
- CDBG Entitlement References
 - ▣ 24 CFR 570.603 & 570.607
 - ▣ Chapter 16, Basically CDBG Training Manual
- CDBG Non-Entitlement References
 - ▣ Chapter VI, Missouri CDBG Administrative Manual

Labor Standards

- Applicable Laws
 - ▣ Davis-Bacon Act (Prevailing Wages)
 - ▣ Copeland Anti-Kickback Act (“Give Back” of Wages)
 - ▣ Contract Work Hours & Safety Standards Act (Overtime Rules)
 - ▣ Section 3 of Housing & Community Development Act (Local Area Hiring & Contracting)
 - ▣ Missouri Prevailing Wage Law (State Equivalent of Davis-Bacon)

Labor Standards

- Applicability of Labor Standards Laws
 - Davis-Bacon Construction Contracts Over \$2,000; **Does Not Apply to Residential Rehab of Structures with Less Than 8 Units**
 - Copeland Anti-Kickback Act Same as Davis-Bacon Exclusions
 - Contract Work Hours & Safety Act Applies to Construction Contracts Over \$10,000
 - Section 3 Applies to Construction Contracts of \$200,000 or More
 - Missouri Prevailing Wage Law Comparable to Davis-Bacon



Procurement

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Procurement



NSP & CDBG Procurement Requirements Are Identical with One Exception. State of Missouri Has Raised “Small Purchase” Limit to \$100,000 for **NSP Only!**

Procurement

- CDBG Entitlement References
 - 24 CFR 570.502
 - 24 CFR 85.36
 - Chapter 14, Basically CDBG Training Handbook
- CDBG Non-Entitlement References
 - Chapter VII, Missouri State CDBG Administrative Manual

Procurement

□ Four Types of Procurement Actions

▣ Small Purchases

- Used for Small Purchases of Less Than \$100,000
- Can Include Professional Services
- Seek Lowest Price by Receiving Competitive Quotes Whenever Possible



- **Limit of \$100,000 Applies to State NSP Only. It Does Not Apply to State CDBG Program.**

Procurement

□ Procurement Options – Continued

▣ Sealed Bids

- Used Mostly for Large Construction Contracts (\$100,000 or More)
- Formal Sealed Bids Solicited Publicly
- Advertise in Newspaper of General Circulation & All Other Reasonable Means
- Select Lowest Responsive and Responsible Bidder

Procurement

- Procurement Options – Continued
 - ▣ Competitive Proposals
 - Used Mostly for Professional Services
 - Costs Are Not Controlling Factor
 - RFP or RFQ Approach

Procurement

- Procurement Options – Continued
 - ▣ Non-Competitive Proposal
 - Used Only in Extraordinary Circumstances
 - Sole Source
 - Public Emergency
 - All Other Approaches Failed



Contact Assigned NSP Field Representative Before Using This Approach

Procurement

□ Things to Avoid

▣ Conflicts of Interest

- Must Have Written Policies
- Applies to All Employees, Officers and Agents of Grantee & Immediate Family
- Prevent People of Influence from Obtaining Financial Interest

▣ Use of Excluded Parties

- Cannot Use Contractors or Persons on Federal Excluded Parties List
- See www.epls.gov



Contract Management

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Contract Management

- Keys to Quality Contract Management
 - ▣ Use Standard Guides and Contracts
 - ▣ Clearly Describe “Statement of Work” in Objective Measurable Terms
 - ▣ Provide Timely & Accurate Reports and Recordkeeping
 - ▣ Describe Method and Timing of Payments
 - ▣ Describe Basis and Means for Amending Contracts
 - ▣ Actively Manage Contractors

Contract Management

- Purpose of Contract Management: Assure Adherence to All Contract Provisions and High Quality Performance
- Reference Materials
 - ▣ CDBG Entitlements
 - Managing CDBG: A Guidebook for Grantees on Subrecipient Oversight
 - ▣ CDBG Non-Entitlements
 - Chapter VIII, State CDBG Administrative Manual

Contract Management



“Cost Plus a Percentage of Cost” Contracts Are Not Permitted.





Equal Opportunity, Fair Housing, & Accessibility

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Equal Opportunity, Fair Housing & Accessibility

- NSP Includes Three Key Areas
 - ▣ Equal Opportunity
 - ▣ Fair Housing
 - ▣ Handicap Accessibility



No Differences in Applicable Rules for NSP and CDBG

Equal Opportunity, Fair Housing & Accessibility

□ Key Laws

- Title VI of Civil Rights Act of 1964
- Title VIII of Civil Rights Act of 1968 (Fair Housing Law)
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Equal Employment Opportunity Act
- Others (See Complete List in Section 12 of NSP Guide)

Equal Opportunity, Fair Housing & Accessibility

- No Person Can Be Subjected to Discrimination Because of **Race, Color, Religion, Sex, Disability, Age, Familial Status or National Origin (Protected Classes)**
- NSP Grantees and Subrecipients Should Assure:
 - ▣ Access to Project Advantages Are Not Denied Based Solely on Protected Class Status
 - ▣ Activity and Site Selection Are Non-Discriminatory
 - ▣ Administrative Practices Are Non-Discriminatory
 - ▣ Affirmative Action Taken to Address Effects of Past Discrimination
 - ▣ Fair Housing Poster Is Displayed

Equal Opportunity, Fair Housing & Accessibility

□ Fair Housing

- Must Take **Affirmative Steps** to Further Fair Housing

- Examples of Actions to Take

 - Fair Housing Resolution

 - Outreach to Fair Housing Organizations and Groups

 - Evaluate Selection Criteria to Assure Non-Discriminatory Effects

 - Review Legal Documents for Possible Discriminatory Language

Equal Opportunity, Fair Housing & Accessibility

- Accessibility Requirements
 - Cannot Discriminate Against Persons with Disabilities (e.g., Hearing, Vision, Speech, Mobility, Developmental Disabilities, In-Home Care, Institutional Care)
 - Section 504 Applies to Newly Constructed Multi-Family Housing of Five (5) or More Units and Substantial Rehabilitation of Multi-Family Rental Housing of Fifteen (15) or More Units.
 - **Contact Your NSP Field Representative If You Expect to Exceed Any of Above Section 504 Thresholds**

Property Acquisition

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Property Acquisition

- Uniform Relocation Assistance & Real Property Acquisition Policies Act of 1970 (URA)
 - ▣ Created to Bring Consistency and Fairness to Acquisition of Real Property and Relocation Assistance When Federal Funds Are Involved
 - ▣ Relocation Policies of URA Apply Only When People are Permanently and Involuntarily Displaced as a Result of Federally Funded Activities
 - ▣ We Do Not Anticipate Any Permanent Displacement in NSP. **If You Expect It to Occur, Contact Your NSP Field Representative Immediately for Assistance.**

Property Acquisition

- URA Acquisition Procedures
 - Governs Notice to Owners, Appraisal Process and Acquisition Procedures
 - Reference Materials
 - CDBG Entitlement Subrecipients
 - 24 CFR 570.606
 - Chapter 18 of Basically CDBG Manual
 - “When a Public Agency Acquires Your Property” Brochure
 - CDBG Non-Entitlement Subrecipients
 - Chapter IX of State CDBG Administrative Manual



Property Acquisition

- Discount Purchase Price
 - HUD Expects Grantees and Subrecipients to Purchase Residential Properties at a Discount
 - Subrecipients Should Negotiate Purchases at Lowest Possible Price
 - **At a Minimum, All Residential Property Must Be Acquired at a Price at Least One Percent (1%) Below “Current Market Appraised Value.”**
 - **Note: This Replaces Earlier Standards of 5% and 15% Published by HUD**

Property Acquisition

□ Appraisal Process

- ▣ Must Secure Services of Qualified Appraiser
- ▣ Appraiser Must Be Licensed or Certified in State of Missouri
- ▣ Can Use In-House or Fee Appraisers
- ▣ Must Use Fee Appraiser if Ten (10) or More Units to Be Acquired During Life of NSP Project
- ▣ If Estimated Value of Property Is Less than \$25,000 Appraisal Is Not Required
 - **Note: This Rule Applies to State NSP Program Only. The State CDBG Program Requires Appraisals for All Property Estimated at \$10,000 or More.**

Property Acquisition

□ **Law of Unanticipated Consequences:**

Many grantees were concerned that discounted purchase price (1% rule) would artificially reduce property values. HUD was advised by national appraisal concerns that this should not be the case. Grantees and sub recipients should inform local appraisers and real estate interests of this understanding.

Property Acquisition

- Amended Annual Action Plan
 - ▣ CDBG Entitlement Grantees Must Amend Current Annual Action Plan
 - ▣ Describe NSP In Sufficient Detail to Inform Affected Citizens
 - ▣ Follow Procedures in Consolidated Plan Rules (24 CFR 91.505) and Local Citizen Participation Plan

Property Acquisition

- Avoid Indirect Tenant Displacement
 - Avoid Acquiring Occupied Properties
 - Assure Proper Notice by Owner to Legal Tenants
 - Failure to Do So Could Trigger CDBG Tenant Displacement Requirements (and Costs) Per 24 CFR 570.606

Property Acquisition

- Voluntary Acquisition
 - No Eminent Domain
 - Provide Written Notice to Owners that Eminent Domain Will Not Be Used Should Negotiations Fail



Program Monitoring & Oversight

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Program Monitoring & Oversight

- Purposes of Monitoring & Oversight
 - ▣ Assist Subrecipients to Achieve NSP Goals and Objectives
 - ▣ Assure Adherence to Applicable Program Requirements
 - ▣ Maximize Benefits to LMMI People

Program Monitoring & Oversight

- Management Tools
 - Disaster Recovery Grant Reporting (DRGR) System
 - On-Site Technical Assistance
 - On-Site and Remote Monitoring
 - Missouri NSP Web Site and Portal
 - Missouri CDBG Administrative Manual
 - CPD Monitoring Handbook
 - HUD NSP Monitoring Guide (Pending)

Program Monitoring & Oversight

- Role of NSP Management Team
 - ▣ Partnership with Shared Goals
 - ▣ Ongoing Technical Assistance, Training & Information Sharing
 - ▣ NSP Field Representatives
 - Primary Point of Contact
 - Problem Solving
 - Program Reviews
 - On-Site and Remote Monitoring



Program Monitoring & Oversight

- Monitoring Reviews
 - Partnership Not Adversarial
 - No “Gotcha’s”
 - Risk Based Approach
 - Timing of Reviews
 - Minimum of Two On-Site Reviews
 - One at Start-Up (Before First Draw)
 - One at Closeout (Before Final Draw)
 - Monitoring Notice

Program Monitoring & Oversight

- Monitoring Reviews – Continued
 - ▣ On-Site Reviews
 - Entrance Conference
 - Exit Conference
 - ▣ Conclusions
 - Findings
 - Concerns
 - ▣ Monitoring Letters
 - ▣ Follow-Up & Resolution of Problems
 - ▣ Remedies for Non-Compliance



Financial Management & Reporting

Julie Peterson

Financial Analyst

CDBG and NSP Programs

Funding Set-Up



- Execute grant agreement and funding approval
- Submit authorized signature forms
- Submit designation of depository forms
- Submit Automatic Clearinghouse Application (ACH/EFT application)
- If necessary, complete Vendor Input form
- Submit first complete request for funds (RFF)

Request for Funds

- RFFs must be completed through the MONSP portal, electronically verified by the NSP field representative, and electronically submitted to the appropriate consultant Staff prior to drawdown by the state.
- Budget Status Report must be completed. (Refer to pages III-22 thru III-31 in the manual for examples of sample calculations and information for RFFs)

Drawdown Process

- State will accept a Request for Funds (RFF) online through the MONSP portal, following approval by the NSP Field Representative.
- RFFs will be reviewed daily and drawn within 24 hours.
- Payments to the vendor will generally occur within 3-5 business days following drawdown date for the RFF.
- Verify receipt of the RFF with your respective financial institution. Payment data will be entered in the MONSP portal as it becomes available.

Funding Details

- Amendments or transfers of funding between activities on the funding approval are discouraged.
- Only expenses for exempt activities (planning, audit, administration and engineering design) can be requested until “Authority to Use Grant Funds/Completion of Environmental Review Requirements” has been issued
- Must provide adequate procedures for minimizing the time elapsing between the deposit of NSP funds and their disbursement.

Accounting Requirements

- Basic standards and requirements for NSP projects are governed by:
 - 24CFR 85, “Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments” as modified by 24 CFR 570, Subpart J, “Grant Administration.”
 - OMB Circular A-87, “Cost Principles for State and Local Governments”
 - NSP Management Handbook



Financial Recordkeeping

- Provide for accurate, current and complete disclosure of financial status of the project by eligible program activity
- Maintain separate activity ledgers, including any additional local funding leveraged, for each program activity
- Produce accurate and timely financial and performance data through MONSP portal, easily traced and verified by source documentation maintained at the grantee's local office.
- Adequately identify source and disposition of funds for NSP-funded activities, as well as any leveraged funding.
- Provide stringent internal controls to maintain integrity of funds, property other NSP assets.
- Minimum requirements for accounting records and source documentation included in CDBG Handbook, III-29 thru III-31 and (need entitlement reference here as well).

Program Income

- Defined as revenue from the disposition of property that has been acquired or rehabbed through the use of NSP funds
- Program income received from the disposition of NSP-funded property must be expended by the grantee, and reported respectively through the MONSP portal, prior to drawing additional NSP funds from the state.
- Program income must be used on eligible activities that meet a national objective.

Performance and Reporting

- Input quarterly data towards proposed performance measures into MONSP
- Individual addresses for relevant properties, tracked by eligible activity
- Name and amount of other non-NSP funding sources by eligible activity
- Documented income level of assisted households
- Beginning and ending dates of activities
- Program income receipts and disbursements

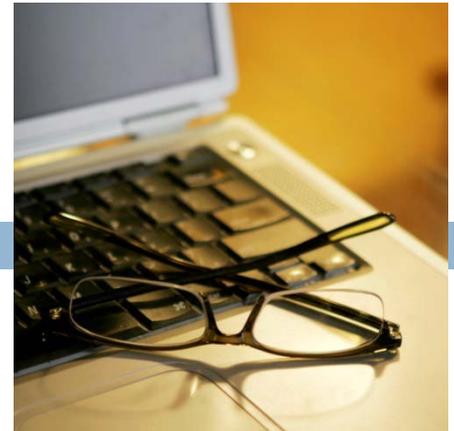
Performance and Reporting

- Deadline for submission - 10th day of the month following last day of quarter
- Data should be reported for respective quarter only

MO NSP Web Portal

Kevin Williams

MO NSP Web Portal



What is the MO NSP Web Portal?

An online web portal that serves as the central point of Neighborhood Stabilization Program's program management. The portal provides news and info regarding the MO NSP. In addition, the portal facilitates policies and procedures between the Grantees – Field Representatives- and DED

Web Portal Functions

- ❑ Program Information
- ❑ Email Capabilities
- ❑ Upload & Archive documents
- ❑ Important Forms
- ❑ Track Program Income

MO NSP Web Portal Address

www.monsp.org



MO NSP Contacts

- MO NSP Hotline (816)423-2983
8:00am-5:00pm Monday –Friday
- MO NSP Fax (816)423-2982
- info@monsp.org

