

NEBRASKA DEPARTMENT

of

ECONOMIC

DEVELOPMENT

CDBG

Neighborhood Stabilization Program (NSP)

January 28, 2009

www.neded.org

NEBRASKA
possibilities...endless™

Department of Economic Development

DED'S MISSION

To provide quality leadership and services that enable Nebraska communities, businesses, and people to succeed in a global economy.

DED ANNUAL BUDGET 2007-08

Sources of Funds

General Fund	\$ 6,654,968
Cash Funds	23,666,004
Federal Funds	<u>21,861,622</u>
Total	\$52,182,594

Uses of Funds

Staff	\$ 4,989,222
Operations	6,644,287
Aid/Grants	<u>40,549,085</u>
Total	\$52,182,594

DED ANNUAL BUDGET 2007-08

MAJOR AID PROGRAMS

Community Development Block Grant (CDBG)

Affordable Housing Trust Fund (AHTF)

HOME

Customized Job Training

Manufacturing Extension Partnership (MEP)

Microenterprise Fund

Value Added Grants

Building Entrepreneurial Communities (BECA)

Tourism Marketing

Non- NSP CDBG – TYPES

- **Planning**
- **Public Facilities**
- **Water/Waste-Water assistance**
- **Tourism Development Initiative**
- **Downtown Revitalization Initiative**
- **Community Revitalization**
- **Housing**

2008 HOUSING FUNDS AVAILABLE

\$1,000,000	CDBG
\$5,000,000	HOME
<u>+\$10,000,000</u>	NAHTF
\$16,000,000	

NEB. AFFORDABLE HOUSING TRUST FUND

- Financed with a documentary stamp tax
- \$1.20 tax for every \$1,000 of valuation
- All real estate transfers
- Approximately \$10 million per year
- Began in 1998 with documented need of \$20 million per year minimum

Housing Activities

- Homebuyer programs
- Owner-occupied rehabilitation programs
- Non-profit operating assistance
- Rental housing

State of Nebraska NSP

- Allocation to the State of Nebraska
 - \$19.6 million
 - DED grant submitted December 1, 2008
 - HUD response to plan December 22, 2008
 - Revisions to HUD due February 4, 2009
 - Last day to address HUD concerns on the plan February 13, 2009

DED CDBG NSP – Eligible Activities

- Establish financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties;
- Purchase and rehabilitate homes and residential properties abandoned or foreclosed;
- Demolish blighted structures;
- Redevelop demolished or vacant properties

DED CDBG NSP – Eligible Grantees

- Local Governments – including the 2 CDBG Entitlements -- Lincoln and Omaha
- Non-profits – including quasi-governmental agencies

NSP allocation priority

- Data suggests the following areas have the greatest need:
 - (1) Areas of North Omaha, Areas of Lincoln
 - (2) Cass, Douglas, Hall, Sarpy, and Washington counties
- This information was compared to additional data and priority areas have changed

NSP Eligible Activities

- Not limited to housing as an outcome
- Not limited to foreclosed properties
- Must meet a national objective defined as
 - Low Moderate Middle Income Housing benefit
 - Low Moderate Middle Income Area benefit
 - Low Moderate Middle Income Jobs benefit

DED NSP Timeline (I)

- Pre-application form available October 16
- Proposal Pre-applications due Nov. 3
- Proposed Grant Submission public comment period Nov. 10-23
- Final submitted to HUD December 1, 2008
- HUD response December 22, 2008
- Corrections and clarifications due Feb 4, 2009

DED NSP Timeline (II)

- HUD approval of plan anticipated February 13, 2009
- Applications accepted April 30, 2009
- Project application reviews and commitments on an ongoing basis until July 30, 2009.
- **MUST** have commitments by September 1, 2009.

NSP Allocation Strategy

- Funds may be allocated to different strategy categories based on capacity of the applicant and readiness to proceed
- DED must rely on the Consolidated Plan for Omaha and Lincoln, therefore, requesting overall priorities from the City of Omaha and the City of Lincoln

DED CDBG NSP Allocation Strategy (1)

What? (a) house households with incomes at or below 50% AMI with foreclosed and abandoned homes ONLY and (b) all eligible activities

Where? Omaha

How much? (a) \$4,000,000, (b) 2,432,000

Grantee? (a) City of Omaha, (b) Omaha and non-profits

Process? (a) set-aside, (b) competitive

DED CDBG NSP Allocation Strategy (2)

What? (a) house households with incomes at or below 50% AMI with foreclosed and abandoned homes ONLY and (b) all eligible activities

Where? Lincoln

How much? (a) \$1,000,000, (b) 3,000,000

Grantee? (a) City of Lincoln, (b) Lincoln and non-profits

Process? (a) set-aside, (b) competitive

DED CDBG NSP Allocation Strategy (3)

What? All eligible Projects

Where? Cass, Douglas, Hall, Sarpy, and
Washington counties

How much? \$3,000,000

Grantee? Local Gov't or non-profit

Process? Competitive

DED CDBG NSP Allocation Strategy (4)

What? All eligible Projects

Where? Dakota, Lancaster, Red Willow,
Saunders and Scotts Bluff counties

How much? \$2,500,000

Grantee? Local Gov't or non-profit

Process? competitive

DED CDBG NSP Allocation Strategy (5)

What? All eligible projects

Where? All other counties

How much? \$2,100,000

Grantee? Local Government or non-profit

Demolition Only Projects

- Demolish blighted structures only
- HUD pre-defined area with 51% of population at 120% AMI
- DED pre-defined area determined to be likely to have an above average percentage of dilapidated housing OR completion of a survey tool to define an area as such

Administration

- Projects through grants to subrecipients only – State not undertaking projects directly
- 4% total grant DED admin., 4% each grant to grantee for grantee administration
- Require grants not administered by the City of Omaha or City of Lincoln have a Certified CDBG Administrator

NSP Applications

- Guidelines available – March 18
- Workshops – March 18 & April 2 in Lincoln
- DUE – May 6
- Interviews/contract negotiations – June/July
- CDBG Certified Admin. training – Aug. 3-7 in Lincoln
- Awards – August 2009
- If all funds are not awarded, may amend plan

Allocation to projects

- Scale of 1-10, 10 is best score
- Sorted by Need Level
- Applied to Allocation strategy amount
- Zip Code Need Levels
- Sorted data by monthly average foreclosures from January 2007 to July 2008/# of households
- Priority - Average of 3 or more foreclosures/month OR .6% Foreclosures/Households Ratio

Scoring Criteria (a)

- Located entirely within a zip code(s) that has a foreclosures per month average of 3 or more OR the foreclosures/households ratio is .60% or greater
- Project is located entirely within a zip code(s) that has a foreclosures per month average of 1 – 2 OR the foreclosures/households ratio is .40% or greater
- Project does not meet one of the above criteria

Scoring Criteria (b)

- Project timeline is clearly feasible and project was in a pre-app.
- Project timeline is likely feasible and project was in a pre-app.
- Project timeline is likely feasible or project was in a pre-app.
- National objective can be met, but, timeliness and likelihood for compliance uncertain

Scoring Criteria

- In the case of a tie the project that is determined to have the highest likelihood to meet the aggressive timeline requirements of the NSP will be selected.
- Administrator and Applicant track record at DED will be reviewed.
- If the project is located in Lincoln or Omaha and the applicant is a non-profit – DED reserves the right to contact the City for more information if the City is not the applicant for one of the projects in the tie

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Questions?

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