

Neighborhood Stabilization Program 2  
Frequently Asked Questions

**Q. I submitted my target geography and received a unique application number, but I just realized that I made an error and need to adjust my target geography, what do I do?**

A. Resubmit the adjusted target geography and obtain a new unique application number. Make sure the new application number is used on the paper application submitted to HUD.

**Q. On page 17 of the NSP2 NOFA it states “to use the Need Factor website, you will log on and indicate how many units you have completed in the past two years.” I have tried to enter this information, but the system will not allow me to do so, what should I do?**

A. The system is NOT designed for you to enter the number of units completed in the past two years. Applicants are only expected to affirm that they pass the threshold requirements. The application narrative should be used to describe how the threshold requirements were met.

**Q. Rating Factor 4 provides a maximum of 10 points to applicants that leverage other sources of funds in carrying out their NSP2 activities. Would the following activities be considered a form of leveraging:**

A. Mortgage financing (including construction financing)—No  
Equity Contributions—Yes  
Resources supporting rental housing—Yes (if contributions are non-federal)

Conditional commitments will NOT be considered as a form of leveraging, unless the condition is approval of an NSP2 grant award. All other conditions and contingencies will invalidate the commitment.

**Q. Is the program summary subject to the page limitations described on page 16 of the NSP2 NOFA?**

A. No. Additional pages can be added to your application for the program summary, but it should not exceed three pages.

**Q. In order to receive points for leveraging other funds, or removing substantial negative effects under Rating Factor 4, do applicants have to address both components?**

A. No. Applicants have the option of addressing either the leverage of other funds, removal of substantial negative effects or both. HUD will award the higher of the two rating points if both are submitted.

**Q. If my entity is successful in receiving an NSP2 grant award, in the event we need to amend our program what are the procedures for doing so?**

A. NSP2 grant awards can NOT be amended. If the approved NSP2 program should change, the appropriated funds will be reallocated by HUD on a competitive basis.

**Q. When do I release my NSP2 application to the public to ensure compliance with the citizen participation rule?**

A. The citizen participation process should be completed during the pre-application period. Minimum citizen participation involves publishing in a newspaper of general circulation or other general, news media outlet covering your target geography and posting on your official website a description of your proposed target geography, and proposed uses of NSP2 funds, in sufficient detail for affected citizens to understand how they may be affected, and soliciting and receiving comments. Submit your application together with a summary of the citizen comments you received and the uniform resource locator (URL) of the website where your plan is posted.

**Q. Can NSP1 grantee apply for NSP2 grant awards?**

A. Yes, if the applicant can demonstrate that NSP1 funds did not address all needs present in the targeted areas.

**Q. Will HUD consider funding multiple NSP2 applications for the same geographic areas?**

A. Yes, if multiple applicants can demonstrate why a particular geographic area requires duplicative resources or complementary resources. However, due to the limited availability of funds this approach may not be feasible in all cases.

**Q. Do NSP2 applicants need to identify target areas prior to submitting an application?**

A. Yes. NSP2 applicants must identify the target areas where the funds are intended to be used. In addition, the applicant must demonstrate past experience serving the target areas.

**Q. Can jurisdictions that received NSP1 funds, apply for NSP2 funds?**

A. Yes. States, units of general local government, nonprofits, and consortia of nonprofits are all eligible applicants for NSP2 if they meet the necessary criteria. See p.2, paragraph I.A.3 of the NOFA.

**Q. I am a for-profit entity, am I eligible to apply for NSP2 funds?**

A. No. However, any of the above mentioned eligible entities - states, units of general local government, nonprofits, and consortia of nonprofits – may partner with for-profits to apply for NSP2 funding. See p.2, paragraph I.A. of the NOFA.

**Q. How can for-profit entities find an eligible applicant to partner with?**

A. One of the best places to start your search for an eligible applicant to partner with would be to check out the list of NSP1 grantees which can be found at: <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/contacts/index.cfm>. Also, you can get a list of Public Housing Agencies across the country at: <http://www.hud.gov/offices/pih/pha/contacts/index.cfm>. A list of HOME participating jurisdictions can be found at: <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/contacts/>.

**Q. I see that a consortium of non-profits can apply for NSP2 funding, how does NSP2 define non-profit entities?**

A. Nonprofit entities are public and private nonprofit organizations, including governmental entities that are organized under state, local or tribal laws for other than profit-making activities. Public nonprofits include states, local governments, Indian tribes, and public housing authorities. See p.9, paragraph II.A.2 of the NOFA.

**Q. Can jurisdictions receive a waiver on the deadline for submission?**

A. No. All applications must be received via paper submission to the Robert C. Weaver HUD Headquarters building by 5:00 p.m. (EST) on July 17, 2009. See p.17, paragraph III.A.3 of the NOFA.

**Q. Can an entity be a lead applicant on multiple NSP2 applications?**

A. No entity may be the lead applicant on more than one NSP2 proposal. No one entity may be an applicant under more than one NSP2 proposal for a particular target geography or subset thereof. See p.11, paragraph II.A.7 of the NOFA.

**Q. My region doesn't have a lot of census tracts with need scores over 18, can I still apply for NSP2 funding?**

A. Any applicant proposing to carry out NSP2 activities must identify neighborhoods that meet one or the other of the following requirements (you may only select one method):

- (1) The average foreclosure needs index score for the identified target geography must be 18 or greater, as indicated by the index; or
- (2) The average foreclosures with vacancy risk index score for the identified target geography must be 18 or greater, as indicated by the index.

Applicants should keep in mind that your proposed target geography need not be contiguous. You must demonstrate that your NSP2 proposal will assist all of your proposed target geography. Single neighborhood, city-wide, metropolitan area-wide, regional, and national scale NSP2 applications are all possible. See p.14, paragraph II.B.8.b & c of the NOFA.

**Q. How do I find out if my target areas meet the index score threshold?**

A. Data and instructions for calculating the scores for your proposed target geography using the online NSP need calculation tool is available on the HUD website (<http://www.hud.gov/nsp>), or you can go directly to the mapping tool (<http://www.huduser.org/nspgis/nsp.html>).

**Q. When will the Need Factor website be available to the public?**

A. In June, additional capacity will be added to the website (<http://www.huduser.org/nspgis/nsp.html>) to allow saving and editing a geographic configuration prior to submission. Please see page 17 of the NSP2 NOFA for additional details.

**Q. How long can my NSP2 application be?**

A. Narratives addressing Factors 1-6 must be formatted so that the total number of pages submitted are equal to no more than 40 single-sided pages of single spaced text based on an 8.5 by 11 inch paper, using a standard 12 point font. A consortium is permitted up to 5 additional pages (total) to address the past experiences of its individual consortium members. You are permitted up to 1 additional page to describe the past experiences of each for-profit partner.

Required appendices, forms, certifications, statements, and assurances are not subject to the page limitations. See p.19, paragraph III.A.3.g of the NOFA.

**Q. I've completed 75 units of demolition. Does that qualify me for an NSP2 grant for acquisition and rehabilitation?**

A. No. HUD will only consider you to achieve the 75-units of housing threshold if you demonstrate sufficient organizational capacity relevant to each NSP2 activity you propose to carry out. See p.14, paragraph II.B.7 of the NOFA.

\*\*Note that one housing project may consist of multiple units of housing.

**Q. I've only completed 30 units of acquisition and rehabilitation, but the other members of my consortium have completed more than 45 units combined. Does this qualify my consortium for an NSP2 grant for acquisition and rehabilitation?**

A. Yes. NSP2 funds can be awarded to a consortium of nonprofits. A consortium is defined as two or more private or public nonprofit organizations that collectively have the capacity and experience to carry out the proposed NSP2 activities in the target geography and that enter into an agreement to submit a single application for NSP2 funding. See p.9, paragraph II.A.4 of the NOFA.

Nonprofit entities are public and private nonprofit organizations, including governmental entities that are organized under state, local or tribal laws for other than profit-making activities. Public nonprofits include states, local governments, Indian tribes, and public housing authorities. See p.9, paragraph II.A.2 of the NOFA.

**Q. I represent a state entity and my entity has not directly completed any of the NSP eligible activities, but we have provided oversight for CDBG activities. Does this count as expertise in meeting the "demonstrated organizational capacity" requirement for NSP2 funding?**

A. Yes, overseeing the implementation of CDBG or NSP activities does count towards organizational capacity.

**Q. If a nonprofit partners with a for profit entity can their combined experience within the last 24 months count towards meeting the 75 units of housing threshold?**

A. The capacity of a for-profit partner will be considered if the firm commitment required by the NOFA is part of the application.

**Q. I represent a non-profit entity that will be applying for NSP2 funding through a consortium. I noticed that the environmental review process discussed in the NSP2 NOFA page 8 (Section I.D.2.f.) shows that consortiums that do not include state, Indian tribe, or units of local government as members must have HUD conduct the environmental reviews in accordance with 24 CFR part 50 rather than 24 CFR part 58. What is the difference between environmental reviews conducted in accordance with 24 CFR part 50 and environmental reviews conducted in accordance with 24 CFR part 58?**

A. The environmental review requirements cited under 24 CFR part 50 are not very different from the ones cited under 24 CFR part 58, but the due diligence required on the part of the

applicant is very different. If a consortium includes a state, Indian tribe, or units of local government as members those entities may conduct environmental reviews within their jurisdiction.

However, if a consortium does not include a state, Indian tribe, or units of local government as members it must have HUD conduct the environmental reviews. When HUD conducts the environmental reviews, the applicant must: supply HUD with all available, relevant information necessary for HUD to perform any environmental review required by 24 CFR part 50 for each property; carry out mitigating measures required by HUD or, if mitigation is not feasible, select alternate eligible property; and not acquire, rehabilitate, convert, demolish, lease, repair, or construct property, nor commit or expend HUD or other non-HUD funds, for NSP2 activities with respect to any eligible property, until the applicant receives written HUD approval of the property. Information that HUD may require the applicant to supply for HUD to conduct the environmental review include: project description and photographs; age of structure; maps with project location identifying FEMA floodplains, National Wetland Inventory, national and local historic districts, railroads, highways and airports; and information on nearby sites listed on EPA Superfund National Priorities or CERCLA list or equivalent State list, nearby toxic or solid waste landfills sites and underground storage tanks.

For more information on the HUD environmental review process cited under 24 CFR part 50, please contact your local HUD Field Office. For more information on the environmental review process cited under 24 CFR part 58, please contact the jurisdictions in your targeted geographic areas.

**Q. What is the CFDA number and CFDA title for NSP2?**

A. The Catalog of Federal Domestic Assistance Number for NSP2 is 14.256. It can also be found in the NSP2 NOFA on page 35. The CFDA title is “Neighborhood Stabilization Program.”

**Q. Under NSP2, do public housing, redevelopment and any other *quasi* governmental entities have the option of choosing their status—nonprofit or governmental entity? As far as I can tell, the principal difference in the applicant status is that non-profits must follow 24 CFR Part 50 for the environmental review, under HUD's direction, as opposed to 24 CFR Part 58 for local governments.**

A. No. *Quasi* governmental entities do not have the option of choosing their status; they are either part of a governmental entity or they are a nonprofit. It is incumbent upon the applicant to describe how it qualifies as a governmental or nonprofit entity. If the *quasi* governmental entity is a governmental entity it must conduct environmental reviews within its jurisdiction in accordance with 24 CFR part 58. However, if the *quasi* governmental entity is a nonprofit it must have HUD conduct the environmental reviews in accordance with 24 CFR part 50.