

NSP1 AND NSP3 IMPLEMENTATION MANUAL SUPPLEMENT

Two sets of updates are provided here: those that apply to just NSP3, and those that apply to both NSP1 and NSP3. The updates are enumerated below with chapter/pages references indicating where these updates and/or forms are to replace what is found in the original NSP Implementation Manual. This Supplement is to be kept with the NSP Implementation Manual.

NSP3

Section 3 – The NSP3 grantee must submit a certification that it will comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and implementing regulations at 24 CFR part 135. See Chapter 4, Attachment IV-9.

Excessive Force Policy – All joint agreements between a NSP3 grantee and another unit of local government must expressly state “that the cooperating unit of general local government has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within jurisdictions.”

The policy certification has been added to Chapter 4, as Attachment IV – 10

Vicinity Hiring – The Dodd-Frank Act stipulates that grantees should “to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity, as such term is described by the Secretary, of project funded under this section or contract with small businesses that are owned and operated by persons residing in the vicinity of such projects.” For the purposes of NSP3, “vicinity” is defined as the target area or area of greatest need.

Energy Star Qualified New Homes for gut-rehabs of three stories or less – The Federal Register notice indicates that all gut rehabs of three stories or less “must be designed to meet the standard for Energy Star Qualified New Homes.” Energy Star qualification involves an independent analysis and verification to receive certification. Information can be found at Focus on Energy: <http://www.focusonenergy.com/residential/new-home/>).

Redevelopment – Eligible Use E – NSP3 funds for Redevelopment may only be used for housing – this is a change from NSP1 which allowed funds in this Eligible Use to be used for nonresidential uses, such as public facilities (ex. public parks, emergency shelters, etc.).

NSP1 and NSP3

[WI HousingSearch.org](http://WIHousingSearch.org) – All NSP1 and 3 rental properties must be listed on this website. Documentation of listing of the NSP rental properties must be kept in the property files. Additional requirement.

Completion Report – A modified completion report has been substituted as Chapter 3, Attachment 3 on pg. 23. Instructions on completing the report found in the Chapter have also been modified.

Section 3 - For NSP1 and NSP3, the Grantee shall also submit a Section 3 Report annually for the April 1 to March 30 program years with the April Quarterly Report or other subsequent reporting mechanism designated by DHCD. The report form has been added to Chapter 4, as Attachment IV-7. In addition, all Section 3 covered contracts must include the Section 3 clause as defined in Chapter 4, Attachment IV-6.

Anti-lobbying Policy – The Anti-lobbying Certification Form must be executed by the grantee certifying that the two Anti-lobbying paragraphs under item 3 will be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements). The form has been added to Chapter 4.

Definition of “Notice of Foreclosure” – Pursuant to Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203, the date of a notice of foreclosure shall be deemed to be the date on which complete title to a property is transferred to a successor entity or person as a result of an order of a court or pursuant to provisions in a mortgage, deed of trust, or security deed. If none of these events occur in the acquisition of a foreclosed property (e.g. in a short sale), in order to ensure fair and equitable treatment of bona fide tenants and consistency with the NSP definition of foreclosed, the date of notice of foreclosure shall be deemed to be the date on which the property is acquired for the NSP-assisted project. The modified language is reflected in Chapter 7.

Definition of “Abandoned” – The Dodd-Frank act expanded the definition of abandoned: home or residential property is abandoned if either:

- a) mortgage, tribal leasehold, or tax payments are at least 90 days delinquent, or
- b) a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies, or
- c) the property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to state or local law or otherwise meets a state definition of an abandoned home or residential property. The modified language is reflected in Chapter 7.

Voluntary Acquisition of Foreclosed Property – The Voluntary Acquisition forms for both agencies with and without eminent domain authority have been replaced in the NSP Implementation Manual with updated forms. See Chapter 7, Attachments VII – 2 and 3.

Redevelopment – Eligible Use E – NSP3 is the authorizing legislation for the third round of funding for NSP. It amends the 25 percent set-aside requirement by removing the restriction that allows only abandoned or foreclosed upon homes or residential properties to be used to meet this requirement. Instead, NSP1 and 3 grantees may also use vacant or demolished property to meet the set-aside requirement as well. Addition to Chapter 10.