

Guide for Review of NSP-1 State Requirements			
Name of Program Participant:			
Staff Consulted:			
Activity Name, Number and Brief Description:			
Amount of Funding Allocated:			
Name(s) Reviewer(s):		Date	<input type="checkbox"/> Limited Review <input type="checkbox"/> In-depth Review

NOTE: All questions that address requirements contain the citation for the source of the requirement (statute, regulation, NOFA, or grant agreement). If the requirement is not met, HUD must make a finding of noncompliance. All other questions (questions that do not contain the citation for the requirement) do not address requirements, but are included to assist the reviewer in understanding the participant's program more fully and/or to identify issues that, if not properly addressed, could result in deficient performance. Negative conclusions to these questions may result in a "concern" being raised, but not a "**finding**."

Instructions: Use this Exhibit for a review for compliance of the Neighborhood Stabilization Program (NSP) State requirements. One Exhibit is to be completed for each Program Participant. It is coupled with Chapter 4 of the Monitoring Handbook, which is designed to look specifically at the State CDBG Program. However, it is important to note that, under the regular CDBG program, states may not directly use funds, but must distribute them to units of general local government. Under NSP, states are allowed to either use the "method of distribution" or act like entitlement grantees by carrying out projects themselves, or use a mixture of the two methods.

Questions:

1.

Has the State been the recipient of the balance of another jurisdiction's grant amount (pursuant to 73 Fed. Reg. 58332, II.B)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
Describe Basis for Conclusion:			

2.

Has the State entered into a cooperative agreement (pursuant to 73 Fed. Reg. 58332, II.B; 58334, II.B.5.b)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(NOTE: If the answer to this question is "yes," Exhibit 8-12, <i>Guide for Review of Cooperative Agreement</i> , should also be completed.)	Yes	No	N/A
Describe Basis for Conclusion:			

3.

Has the State received a reallocation of grant funds (pursuant to 73 Fed. Reg. 58333, II.E)?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

4.

a. Is the State making a grant within a regular CDBG Entitlement area? [73 Fed. Reg. 58336, II.F]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

b. If the answer to “a” above is “yes,” is there evidence that the State included citizens of the local jurisdiction in its citizen participation process? [73 Fed. Reg. 58334, II.B.4]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

c. If the answer to “a” above is “yes,” is there evidence that the State utilized “the area median income levels applicable to its regular CDBG program geography and not the “balance of state” levels? [73 Fed. Reg. 58336, II.E]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

d. If the answer to “a” above is “yes,” is there evidence that the State “develop[ed] and ma[d]e public its definition of affordable rents for NSP-assisted rental projects” in the applicable regular CDBG program geography? [73 Fed. Reg. 58336, II.E.2.c]	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A
Describe Basis for Conclusion:	

5.

<p>Is the State “distribut[ing] funds to or within any jurisdiction within the state that is among those with the greatest need, even if the jurisdiction is among those receiving a direct formula allocation of funds from HUD under the regular CDBG program or... [the NSP] notice?”</p> <p>(NOTE: “[T]he state is required to distribute funds without regard to a local government status under any other CDBG program and must use funds in entitlement jurisdictions if they are identified as areas of greatest need, regardless of whether the entitlement receive its own NSP allocation.”)</p> <p>[73 Fed. Reg. 58336, II.F]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

6.

<p>a. Is the State a recipient of only the minimum allocation of 0.5 percent (\$19.6 million) of the amount specified in Section 2301 of the Housing and Economic Recovery Act (HERA) of 2008 (Sec. 2302 of HERA, Pub. L. 110-289, July 30, 2008; and 75 Fed. Reg. 18230, II.B)?</p> <p>[NOTE: Only “affects the following states: Alaska, Arkansas, Delaware, Hawaii, Idaho, Maine, Montana, North Dakota, Nebraska, New Hampshire, New Mexico, Oregon, Puerto Rico, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.”]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

<p>b. If the answer to “a” above is “yes,” has the State completed and submitted to the HUD Field Office a substantial amendment that contains all of the information as outlined in Section (III)(3) of the April 9, 2010, Federal Register notice , therefore demonstrating to HUD that It has fulfilled all of the requirements in Section 2301(c)(2) if HERA?</p> <p>(NOTE: In order for the State to implement Public Law 111-22, it must complete a substantial amendment to its NSP-1 plan. The Federal Register notice provides an outline of all necessary components that need to be included in the substantial amendment in order to demonstrate its fulfillment of the requirements in section 2301(c)(2) of HERA. The substantial amendment needs to be submitted to the HUD Field Office, though it does not need to be approved by HUD.)</p> <p>[Sec. 2301(c)(2) of HERA, Pub. L. 110-289, July 30, 2008; Section 105 of the Helping Families Save Their Homes Act (HFSHA), Pub. L. 111-22, May 20, 2009; and 75 Fed Reg. 18230, III.3.]</p>	<p><input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> Yes No N/A</p>
<p>Describe Basis for Conclusion:</p>	

<p>c. If the answer to “b” above is “yes,” is there evidence that the State is following the substantial amendment that was submitted to HUD that allows it to “re-program NSP funds to additional areas with homeowners at risk of foreclosure or in foreclosure without regards to the percentage of home foreclosures in such areas” (75 Fed. Reg. 18230, II.B.)?</p> <p>[Section 105 of the Helping Families Save Their Homes Act (HFSHA), Pub. L. 111-22, May 20, 2009; and 75 Fed Reg. 18230, III.3.]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

7.

<p>Is the state using the “method of distribution” program model (pursuant to 73 Fed. Reg. 58336, II.G)?</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

8.

<p>a. Is the state “carry[ing] out NSP activities directly for some or all of its assisted grant activities, just as CDBG entitlement communities do under 24 CFR 570.200(f), including, but not limited to, carrying out activities using its own employees, procuring contractors, private developers, and providing loans and grants through nonprofit subrecipients (including local governments and other public nonprofits such as regional or local planning or development authorities and public housing authorities)” (pursuant to 73 Fed. Reg. 58336-7, II.G)?</p> <p>(NOTE: “HUD is granting regulatory waivers of State CDBG regulations to conform the applicable management, real property change of use, and recordkeeping rules when a state chooses to carry out activities as if it were an entitlement community.”)</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

<p>b. If the answer to “a” above is “yes,” is there evidence that the State is reviewing projects and “establishing remedies for noncompliance”?</p> <p>(NOTE: “24 CFR 570.492 is waived and the following alternative requirement applies: The state shall make reviews and audits, including on-site reviews of any subrecipients, designated public agencies, and units of general local government as may be necessary or appropriate to meet the requirements of 42 U.S.C. 5304(e)(2), as amended, as modified by th[e]... [NSP] notice.”)</p> <p>[73 Fed. Reg. 58337, II.G.1]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

<p>c. If the answer to “a” above is “yes,” is there evidence that the State has implemented the change of use of real property waiver in the projects it carries out directly?</p> <p>(NOTE: “For the purposes of this program, in 24 CFR 570.489(j), (j)(1), and the last sentence of (j)(2), “unit of general local government” shall read as “unit of general local government or state.”)</p> <p>[73 Fed. Reg. 58337, II.G.2]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

<p>d. If the answer to “a” above is “yes,” is there evidence that the State has adopted an appropriate recordkeeping method?</p> <p>(NOTE: Regarding 24 CFR 570.490(b): “The state shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the state’s administration of NSP funds under 24 CFR 570.493. Consistent with applicable statues, regulations, waivers, and alternative requirements, and other federal requirements, the content of records maintained by the state shall be sufficient to: (1) Enable HUD to make the applicable determinations described at 24 CFR 570.493; (2) make compliance determinations for activities carried out directly by the state; and (3) show how activities funded are consistent with the descriptions of activities proposed for funding in the action plan. For fair housing and equal opportunity purposes, and as applicable, such records shall include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the program.”)</p> <p>[73 Fed. Reg. 58337, II.G.3]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

<p>e. If the answer to “a” above is “yes,” is there evidence that the State is in compliance with its certifications?</p> <p>(NOTE: “HUD is applying the regulations at 24 CFR 570.480(c) with respect to the basis for HUD determining whether the state has failed to carry out its certifications, so that such basis shall be that the state has failed to carry out its certifications in compliance with applicable program requirements.”)</p> <p>[73 Fed. Reg. 58337, II.G.4]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

<p>f. If the answer to “a” above is “yes,” is there evidence that the State, “[a]ccording to the environmental regulations at 24 CFR 58.4... submit[ted]... [its] certification and request for release of funds to HUD for Approval”?</p> <p>(NOTE: “Usually, a state... takes on HUD’s role receiving environmental certifications from the grant recipients and approving releases of funds.”)</p> <p>[73 Fed. Reg. 58337, II.G.5]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

Describe Basis for Conclusion:

15.

If the responses to any of the questions in this Exhibit indicate a need to go to another section of this Handbook for questions, or seek technical assistance or advice from another HUD staff person, please describe below.

Describe Basis for Conclusion: