



NEIGHBORHOOD REVITALIZATION STRATEGY AREA

Webinar and Checklist for HUD Grantees

DECEMBER 15, 2020



OBJECTIVES

- The requirements for a Neighborhood Revitalization Strategy Area application submission.
- How NRSA designation can be helpful in deploying CDBG and Section 108 funds in these areas.
- Regulatory flexibility with a variety of requirements applicable to the use of CDBG funds by entitlement communities in a Neighborhood Revitalization Strategy Area.
- The potential role of a Neighborhood Revitalization Strategy Area designation in comprehensive community revitalization.





AGENDA

- Part I: Introduction to the Neighborhood Revitalization Strategy Area (NRSA)
- Part II: Developing the NRSA for Submission and HUD Approval
- Part III: Process for Submission and HUD Approval of the NRSA Application
- Part IV: NRSA Checklist and Best Practices
- Panel Discussion with Grantees and HUD Representatives
- Q & A



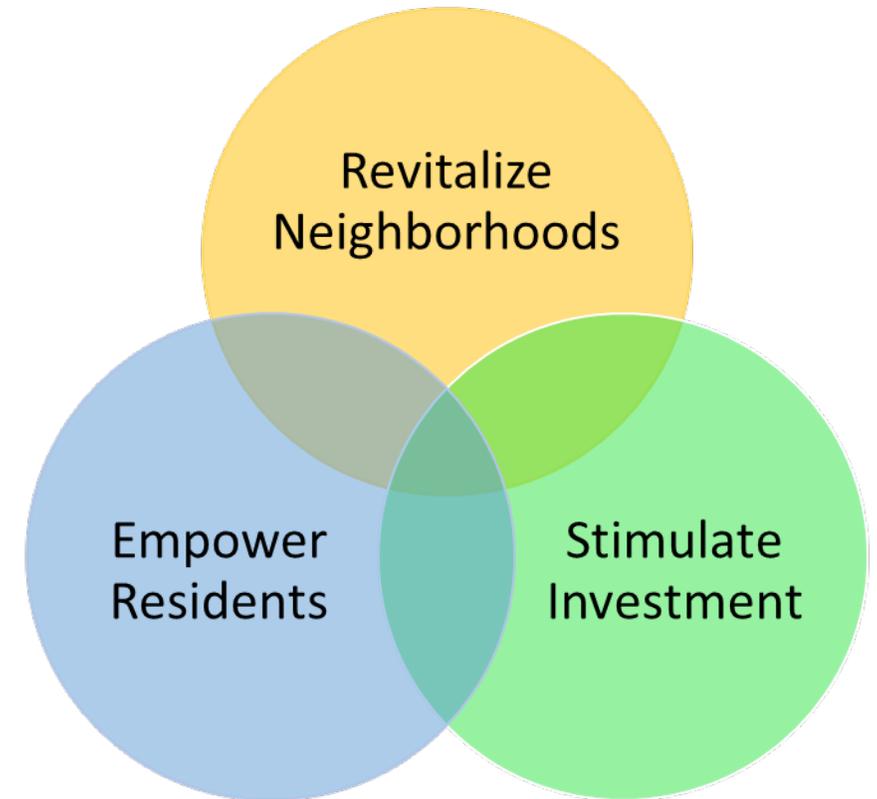


Part I: Introduction to Neighborhood Revitalization Strategy Area



WHAT IS THE NRSA?

- **Revitalize a targeted neighborhood** through a coordinated approach for comprehensive place-based efforts.
- Targeting an area to **stimulate investment and empower residents** who are low-income and living in distressed neighborhoods.
- HUD encourages submission of the NRSA request as part of the Consolidated Plan (“Con Plan” and as described in 24 CFR 91.15(b).
- HUD will not withhold approval of the Con Plan if the NRSA request cannot be concurrently approved.





COMPREHENSIVE PLACE-BASED STRATEGY

What are comprehensive place-based initiatives?

Comprehensive community revitalization strategies seek to create partnerships among federal and local governments, the private sector, community organizations, and neighborhood residents.

Stimulating investment through comprehensive place-based initiatives:

- Inclusive planning leads to greater community participation and support increases the likelihood of success in urban revitalization efforts.
- Collaborative creation of a strategic set of approaches.
- Implementation by a broader array of partners adds compounded value
- Coordinated solutions
 - Quality of life improvements are evident to the intended beneficiaries.
 - Drive investment to the targeted area.
 - Transparent coordination of resources.



COMMUNITY PARTICIPATION

Participation of neighborhood residents in the development of a neighborhood revitalization strategy builds trust and support for the strategy, enhancing the likelihood of successful implementation.

Long standing neighborhood decline requires multipronged, coordinated solutions, that:

- Recognize the reality that revitalization is necessary due to lack of investment over a prolonged period of time.
- Ground truth data with community feedback and collect experiences to understand improvements needed by the intended beneficiaries.
- Pay attention to language and proxies used to communicate market conditions because community members may use metaphors and broad terms to describe multiple issues that are co-occurring.



NRSA NOTICE: Notice CPD-16-16

- Sets out the process for the development, submission, approval and amendment of the NRSA.
- Encourages the coordination of resources to support comprehensive place-based initiatives.
- Through NRSA designation, HUD seeks to create opportunity in distressed neighborhoods by stimulating investment of human and economic capital and economically empowering low-income residents.
- Incorporate neighborhood resident voices in the development of a comprehensive revitalization strategy to enhance likelihood of its successful implementation.
- HUD approval of the NRSA designation does not result in additional CDBG resources.
- NRSA designation is beneficial through its regulatory flexibilities.

Source: Notice CPD 16-16: NRSA in CDBG Entitlement Program. Retrieved from HUD Exchange resources, August 2020.



REGULATORY BENEFITS WITH THE NRSA DESIGNATION

- HUD incentivizes the development of NRSA's by offering relief from certain regulatory requirements that apply to the use of CDBG funds.
- Consolidated Plan and CDBG regulations establish criteria for approving local strategies for targeting the revitalization of neighborhoods.
- NRSA designation, renewal, and amendment can be submitted with the Consolidated Plan, Annual Action Plan, or a Consolidated Plan amendment for HUD approval.



REGULATORY BENEFITS WITH THE NRSA DESIGNATION (Cont'd)

- HUD provides greater flexibility in the use of CDBG resources:
 - Aggregation of housing units.
 - Job creation and/or retention as low-and moderate-income area benefit.
 - Aggregate public benefit standard exemption.
 - Public service cap exemption.

Source: Notice CPD 16-16: NRSA in CDBG Entitlement Program. Retrieved from HUD Exchange resources, August 2020 and 24 CFR Part 570.



EXPECTED IMPACT OF THE NRSA DESIGNATION

- NRSA designation should provide viable solutions that address affordable housing **and** economic opportunity needs for long-term community improvements.
- Solutions identified should be accomplished within a reasonable period of time.
- Improvements should be apparent to the intended beneficiaries who are principally low- and moderate-income residents of a specific neighborhood.

Source: Notice CPD 16-16: NRSA in CDBG Entitlement Program. Retrieved from HUD Exchange resources, August 2020 and 24 CFR Part 570.



LEVERAGE THE NRSA DESIGNATION

Leverage is a critical element and a goal of the NRSA in order to attract additional investment to the designated community.

- Entitlement funds (HOME, CDBG, ESG, HOPWA)
- Choice Neighborhoods
- Rental Assistance Demonstration (RAD)
- Promise Zones/Empowerment Zones/Opportunity Zones
- Tax Credit Programs (LIHTC and NMTC)
- Access to Competitive Grants
- Section 108 Loan Guarantee Program
- National and local philanthropy
- Local economic development incentives



PART II: DEVELOPING THE NRSA APPLICATION FOR HUD SUBMISSION AND APPROVAL



NRSA APPLICATION CONTENT FOR HUD APPROVAL

- The NRSA should be designed to provide tangible housing **and** economic improvements within a predetermined time period.
- To evaluate the overall strategy and specific activities proposed in the NRSA, HUD requires an understanding of the target neighborhood as it relates to its strengths and challenges.



CONTENTS OF THE NRSA APPLICATION

The strategy should clearly describe how the target neighborhood will meet the following criteria:

- A. Boundaries and Eligibility
- B. Demographic Criteria
- C. Consultation
- D. Assessment
- E. Housing and Economic Opportunities
- F. Leverage of Funds
- G. Performance Measurement

Source: [Notice CPD 16-16: NRSA in CDBG Entitlement Program](#).



A. BOUNDARIES AND ELIGIBILITY

- Define the geographical area that comprises a neighborhood and its distinguishing characteristics.
- These areas are typically designated in comprehensive plans, ordinances, or other local documents.
- NRSA (or NRSAs) may not encompass the entire jurisdiction.
- Areas within the NRSA boundaries must be **contiguous**.
- Define the NRSA by identifying census tracts and block groups in which the area is located.
- A map denoting the boundaries of the targeted area must also be submitted with the NRSA Application submission.



B. DEMOGRAPHIC CRITERIA

- The designated area must be documented as primarily residential **and** contain a percentage of low- and moderate-income residents
- Low- and moderate-income residents must equal to a community's "highest quartile percentage" (as computed by HUD pursuant to 24 CFR 570.208(a)(1)(ii)) or 70 percent, whichever is less, but **not less than 51 percent.**"
- FY 2020 ACS 5-Year 2011-2015 Low-and Moderate-Income Summary Data

Source: [FY 2020 ACS 5-Year 2011-2015 Low-and Moderate-Income Summary Data](#)



C. CONSULTATION

Successful neighborhood revitalization strategies bring together a variety of stakeholders in cross-sector partnerships that:

- lay the groundwork for community growth;
- make neighborhoods attractive for investment;
- ensure that the benefits of economic activity remain in neighborhoods for long-term development;
- support the use of neighborhood intermediary institutions (e.g., Community Development Corporations [CDCs] and Community Development Financial Institutions [CDFIs]) to bridge gaps between local government agencies, the business community, community groups and residents; and
- foster the growth of resident-based initiatives to identify and address their housing, economic and human service needs.”



D. ASSESSMENT

Examination of the opportunities for housing and economic improvements and the problems likely to be encountered in pursuit of such goals. The grantee should provide descriptions of:

- Overall neighborhood or target area
- Current status of target area in comparison to the rest of the community/city
- Ongoing or recent revitalization activities and new investment
- Challenges and barriers residents encounter in accessing job opportunities
- Critical housing challenges facing the neighborhood/target area



E. HOUSING AND ECONOMIC CONDITIONS

Describe the housing component of the plan

- Housing that the grantee plans to demolish, develop, rehabilitate, construct or acquire
- Number of each type of units (i.e., type of housing including public housing, Low Income Housing Tax Credits (LIHTC), market rate, or homeownership).
- Balanced approach with community consultation and feedback from residents.

Describe the economic development component of the plan

- Create or retain jobs that result in households that are economically stable and self-sufficient.
- Target population for employment.
- Support services, such as job training that may be provided as a part of this strategy



F. LEVERAGE

- An element of neighborhood revitalization and a goal of the NRSA is to attract additional investment to the designated community.
- Leverage may be made in the form of cash or in-kind resources
- Strategy should outline the grantee's proposed leverage sources for the NRSA.
- The grantee will be required to report on leveraged resources received and used to support the NRSA.
 - Choice Neighborhoods
 - Rental Assistance Demonstration (RAD)
 - Opportunity Zones
 - Tax Credit Programs (LIHTC and NMTC)
 - Other/local sources (i.e., AHTF, TIF and other economic development incentives, philanthropy)



NRSA AND OPPORTUNITY ZONES

Many jurisdictions possess assets with untapped potential. Unlocking this potential can help leverage or steer private investments in NRSA that overlap with Opportunity Zones, while securing community benefits in the process.

Flexibilities offered through the NRSA designation	Attracting private investment including Qualified Opportunity Funds
Aggregation of Housing Units	CDBG funds could be leveraged with investments from Qualified Opportunity Funds to develop market-rate or mixed-income housing in an NRSA/Opportunity Zone
Job Creation and/or Retention as Low- and Moderate-Income Area Benefit	Reduced documentation and reporting standard could attract investments from Qualified Opportunity Funds in economic development projects within an NRSA
Aggregation of Public Benefit Standard Exemption	Exemption from the aggregate standard means that a grantee may offer more assistance to attract companies that will be able to create jobs within an NRSA. The lower standard could be attractive to investors
Public Service Cap Exemption	Offer additional public services within the NRSA to directly support investments from Qualified Opportunity Funds.



G. PERFORMANCE MEASURES

- Strategies identify the results expected to be achieved
 - Physical improvements, social initiatives, increased affordable housing opportunities and/or economic progress
- Express them in terms of measurable outputs and outcomes of the CPD performance measurement framework.
- Performance measures should be tied to the neighborhood's identified needs and the grantee's proposed housing and economic opportunities.
- Specific, quantifiable and publicly available.



PART III: PROCESS FOR HUD SUBMISSION AND APPROVAL OF THE NRSA APPLICATION



FIELD OFFICE COORDINATION

- Notify your CPD Field Office Rep of NRSA consideration prior to preparation of application.
- Discuss NRSA boundaries under consideration, existing assets, capital solution(s) the NRSA designation can provide, potential strategies to leverage regulatory flexibilities.
- Submit application and coordinate on a monitoring and reporting process linked to the Consolidated Plan and Annual Action Plans.



NRSA APPLICATION SUBMISSION OPTIONS

The following submission options are available to the grantee and will affect the NRSA term accordingly:

- Submit an original NRSA approval request
- Submit a request to renew an existing NRSA, with updated required contents and a written statement that the strategy can still be effective if approved
- Submit a request for approval of an amended strategy with a new term



POST-SUBMISSION TO HUD

- Review and approval timeframe for HUD
- Implementation steps upon approval
 - Identify better off metrics
 - HUD tracking through IDIS
 - Other federal tracking mechanisms
 - Local tracking efforts
 - Document impact



PART IV: NRSA BEST PRACTICES



TELLING THE STORY: DOCUMENT IMPACT

Conceptual	Practical	Political
<p>CHALLENGE: Difficult to define/determine what to focus on</p> <p>OVERCOMING CHALLENGES: Create SMART Goals</p> <p>CHALLENGE: E.g. Is passing an ordinance an outcome? Or when a development increase the supply of affordable housing?</p> <p>OVERCOMING CHALLENGES: Thinking through measurement in the process of creating goals & strategies</p>	<p>CHALLENGE: Data availability, logistics of sharing and accessing, timescale, reporting/analysis burden</p> <p>OVERCOMING CHALLENGES: We can't always measure everything we would like to, where possible, focus on measures we are already collecting/reporting on or that are achievable</p>	<p>CHALLENGE: Highlights efforts to address conditions that could draw public attention or criticism</p> <p>OVERCOMING CHALLENGES: Educating elected officials and the public, emphasizing the value of performance measurement, emphasizing regulatory obligations under CFR</p>



DOCUMENT IMPACT

Included in the NRSA Application

GOAL: What do we want to accomplish (i.e., addressing one of the root causes by stimulating investment)?

STRATEGY: How are we going to accomplish that goal?

METRICS: What will we measure to know that we are making progress? Are there specific milestones we aim to meet? Over what timeframes?

Assessed on an ongoing basis

OUTCOMES: Our results to date. How much progress have we made toward our goal at a given point in time?



NRSA Webinar and Checklist

DOCUMENT IMPACT (SAMPLE)

Goal to Address Aggregate Root Cause (Why)	Strategy Buckets (How Part I)	Action/Process (How Part II – Leverage)	Clients (Who)	Better Off Measures (Metrics)	Outcomes (Progress/Impact)
Create 150 new jobs by providing financial assistance to small business located within the NRSA	Market the job creation program to existing businesses wishing to expand or new businesses seeking to establish a business within the NRSA	Creation of jobs Create job creation program under the Low-Mod Area National Objective reducing	Small business located in NRSA Residents of the NRSA Unemployed residents	Within one year, the city will assist 10 businesses that will generate 50 new FTE jobs Within 5 years, 15 businesses will be assisted that will generate 150 new FTE jobs	Provide financial assistance to 15 businesses for the creation of 150 new jobs Eliminate need for businesses to track income and reduce records for jobs created Reduce eligibility requirements for business to qualify by waiving public benefit standards
Site 100 units of new affordable housing with a mix of 2, 3 and 4 bedrooms to increase the supply of adequate and healthy housing options for families and school age children	Identify and allocate city-owned land, particularly in areas with connections to green space and playgrounds, transit, schools, and amenities for wellbeing	Aggregation of housing units Community-responsive capital (underwriting and facilitating partnerships)	Community Based Organizations (CBOs), Community Development Corporations (CDCs), nonprofit housing developers Families, school-age children, youth	Within one year, the City will review and amend its zoning ordinances to eliminate barriers to the construction of new affordable housing Within five years, 100 units of new affordable housing will be sited and constructed with connections to amenities	Amended zoning ordinance Change underwriting guidelines to take on more risk in pursuit of mission Construction of 100 units of affordable housing units Create additional opportunities for partnership development with funders



RESOURCES

- Examples of NRSA Applications
 - [Detroit, MI](#)
 - [Vancouver, WA](#)
 - [Raleigh, NC](#)
 - [Springfield, MA](#)
- HUD Resources
 - [Notice CPD 16-16: NRSAs in CDBG Entitlement Program](#)
 - [FY 2020 ACS 5-Year 2011-2015 Low-and Moderate-Income Summary Data](#)
 - [CDBG: Community Development Block Grant Programs](#)
 - [eCon Planning Suite Desk Guide](#)
 - [24 CFR Part 570](#)
- Additional Resources
 - Community Asset Mapping ([EPA Asset Mapping](#) and [Groundwork USA](#))
 - [SOAR Analysis](#)



PANEL AND Q&A



THANK YOU!