

Transcript of Webinar
Neighborhood Revitalization Strategy Areas Webinar
and Checklist for HUD Grantees
Tuesday, December 15, 2020

Jared Elwell: Good afternoon, everyone. I'd like to welcome you to today's webinar, "Neighborhood Revitalization Strategy Areas Webinar and Checklist for HUD Grantees." My name is Jared Elwell and I work for Enterprise Community Partners, more specifically Enterprise Advisors.

It's the mission-based consultancy of Enterprise where we provide TA and capacity building support to communities, PHAs, and HUD grantees and their partners across the country. I've been working with HUD grantees as a HUD TA provider for over 10 years.

I am joined today by my colleague and co-presenter for this webinar, Anna Ravindranath. Anna has worked for Enterprise for over four years, and before that, she worked for two HUD grantees. Next slide.

Today, we'll be covering four objectives. We'll cover the requirements of the neighborhood revitalization strategy area submissions, application submissions, how NRSA designation can be helpful in deploying CDBG and Section 108 funds in these areas.

We'll cover the regulatory flexibilities provided by the NRSA designation that are applicable to the use of CDBG funds by entitlement communities in the neighborhood revitalization strategy area, and the potential role of the neighborhood revitalization strategy area designation and comprehensive community revitalization. Next slide.

I'm going to quickly run through today's agenda and then we'll begin to cover the content. So part one will cover the introduction to the neighborhood revitalization strategy area. Then we'll move into developing the NRSA application for submission and HUD approval. Part three is the process for submission and HUD approval for the NRSA application. Part four is the NRSA checklist and best practices.

And this part of the webinar will be followed by a panel discussion with grantees and representatives from HUD followed by open Q&A. Any questions that we are not able to answer today on this webinar, we will be sure to provide answers to and HUD will be posting those responses. Next slide.

Part one. The introduction to neighborhood revitalization strategy area. Next slide. The neighborhood revitalization strategy area is a defined geographic contiguous area that comprises a neighborhood. It may not encompass the grantee's entire jurisdiction. Grantees are required to include a map denoting boundaries for the targeted area with their NRSA submission.

The NRSA designation and its corresponding benefits serve as a tool to target CDBG resources in support of comprehensive community revitalization efforts, seeking to create partnerships among a target area's stakeholders.

If used effectively, this tool can be used to create opportunity in distressed neighborhoods by stimulating the investment of human and economic capital and by economically empowering low-income residents. HUD recommends grantees submit their NRSA application with their ConPlan to track with their five-year planning site.

And we will cover the exceptions to this recommendation in a few slides. It's also important to note that HUD will not withhold approval of the ConPlan if the NRSA request cannot be concurrently approved. Next slide.

Comprehensive community revitalization strategies seek to create partnerships among federal and local governments, the private sector, community organizations and neighborhood residents. A comprehensive place-based approach recognizes complex nature of community and ensures coordinated efforts to address housing, safety, health, economic development, retail revitalization, entrepreneurship, workforce development, education, recreation and youth opportunities.

Stimulating investment through comprehensive place-based initiatives requires inclusive planning that leads to greater community participation and support increases the likelihood of success in urban revitalization efforts.

It also requires collaborative creation of a strategic set of approaches. The implementation by a broader array of partners adds compounded value. It also requires coordinated solutions where the quality-of-life improvements are evident to the intended beneficiaries, that drive investment to the target area. Also create transparent coordination of resources. It's important to note that the NRSA is just one tool and should be used as part of a broader toolbox. Next slide.

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.

Longstanding 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, that ground truth to data with community feedback can collect experiences to understand improvements needed by the intended beneficiaries.

And then 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. Next slide.

This slide presents some important elements of the NRSA notice. It 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 and incorporate neighborhood resident voices in the development of a comprehensive revitalization strategy to enhance likelihood of its successful implementation.

It's also important to understand that HUD approval of the NRSA designation does not result in additional CDBG resources, though NRSA designation is beneficial for its regulatory flexibilities. Next slide.

HUD incentivizes the development of NRSAs by offering relief from certain regulatory requirements that apply to the use of CDBG funds and those benefits are covered on the next slide. The consolidated plan and CDBG regulations establish criteria for approving locally coordinated comprehensive strategies for targeting the revitalization of neighborhoods.

The NRSA submission must be submitted with a consolidated plan or as an amendment to the annual action plan. If the NRSA submission is made with the annual action plan, the consolidated plan must be amended. Next slide.

I'm now going to cover the regulatory benefits with the NRSA designation. HUD provides greater flexibility in the use of CDBG resources and they may reduce your reporting burden. The NRSA notice provides more information about each of these benefits. The notice also includes examples and later, during the panel discussion, the participating grantees will share their own examples.

The first benefit is the aggregation of housing units. Housing units assisted in an approved NRSA during each program year may be considered single structure for purposes of meeting a national objective. The grantee must maintain documentation that demonstrates 51 percent of the units completed were in the low-and-moderate income households and report such accomplishments in IDIS to comply with the CDBG performance measurement requirements.

Outside an NRSA, 100 percent of the single-family homes must be occupied by low-and-moderate income households. This housing incentive applies to both single family and multifamily housing in the NRSA.

The second benefit is the job creation and/or retention as low-and-moderate income area benefit. Job creation retention activities undertaken in an NRSA may be qualified as meeting the area benefit national objective, thus eliminating the need for businesses to track personal income and maintain records for jobs held by or made available to low-to-moderate income persons residing within the NRSA.

The third benefit is the aggregate public benefit standard exemption. At the grantee's option, economic development activities carried out in a HUD-approved NRSA may be exempted from the aggregate public benefit standards, thus increasing a grantee's flexibility for program design as well as reducing the recordkeeping requirements, meeting the public benefit.

Economic development projects must meet a public benefit standard, both for individual projects and in aggregates for all economic development projects in that year. Exemption from the aggregate standard means that a grantee may offer more assistance to attract companies that will be able to create more jobs within an NRSA.

And the final benefit is public service cap exemption. As a part of an overall economic empowerment and housing opportunity strategy, public services carried out in a HUD-approved NRSA are not subject to a statutory 15 percent public service cap when such activities are carried out by a designated community-based development organization undertaking a neighborhood revitalization, community economic development or energy conservation project. Next slide.

Examples. Expected impacts of the NRSA designation. The NRSA designation should provide viable solutions that address affordable housing and economic opportunity needs for long-term improvements. Solutions identified should be accomplished within a reasonable period of time.

The operational term of an NRSA is five years in accordance with the notice. Therefore, the grantee must submit a request for renewal of its NRSAs every five years, along with an update on what has and has not been addressed within the past five years and identify what needs to be completed.

Improvements should be apparent to the intended beneficiaries who are principally low-and-moderate income residents of a specific neighborhood. And in addition, the grantee may update NRSA-type designations to remove the areas that have been addressed and add contiguous areas that meet the requirements to be considered part of the NRSA.

Next slide. Leveraging the NRSA designation. Leverage is a critical element and a goal of the NRSA in order to attract additional investment to the designated community. And on this slide, you see several examples of the type of leverage encouraged by HUD.

[Inaudible] requirements on the funds can make projects more attractive to private investors, and though not always the case, local and state resources tend to have fewer restrictions. During the panel discussion you'll hear more about leveraging the Section 108 loan guarantee program in an NRSA.

The flexibilities offered by the NRSA designation make some Section 108 projects easier to implement and track. The designation itself does not specifically provide greater flexibility in the Section 108 program. And Anna will now cover part two of the presentation.

Anna Ravindranath: Great. And can we advance to the next slide? NRSA application and content for HUD approval. In this portion of the presentation, we will walk through the elements that the NRSA application should incorporate, as outlined by the notice, and what HUD's field staff will need to know about the community to evaluate the overall strategy of the NRSA.

As HUD field staff review the applications, they will be looking for two key factors. What are the goals and strategies that will improve housing and economic conditions within the timeframe that you have identified and an understanding of the area that is being targeted? What are the strengths that currently exist that the NRSA can build on and what are the housing and economic conditions you are looking to change?

A predetermined time period will depend on the specific outcome of goals being achieved. Grantees will work with their local field office to establish an operational term for the NRSA that should not exceed five years. HUD recommends the NRSA operational term to coincide with the consolidated planning cycle. However, you can submit an NRSA application at any time with a ConPlan amendment or an annual action plan amendment. Next slide.

[Inaudible] of the NRSA application. In order to evaluate the overall strategy and specific activities proposed in the NRSA, HUD requires an understanding of the target neighborhood. We will walk through each of these elements and the type of narrative you want to develop and the information you want to share to convey a sense of place and how the strategies you have proposed will allow this place to improve and grow.

As you develop each component of the application, it's important to keep in mind a community offers different opportunities to varying types of residents. Where someone lives influences a range of opportunities and levels of access they have to those opportunities. Housing barriers can help reveal broader challenges that exist in the target area and multiple dimensions make up a neighborhood and their shared characteristics should be assessed.

As you build out the overall strategy for the NRSA, it will be helpful to utilize the consolidated planning cycle, which provides you with a five-year timeline for accomplishments. Building in incremental points to evaluate your progress can be valuable points of discovery and provide deeper understanding of your efforts, particularly if you are piloting new initiatives by bringing together multiple funding sources.

The boundaries of the target area should be realistic to the -- to place-based revitalization initiatives, will share some common characteristics and can be helpful to have in mind as you build out each aspect of the application. Place-based initiatives concentrate resources in a specific geography, combines physical revitalization with the provision of services.

Some examples include health, education or job training programs. And they leverage existing institutions, networks and capital and engage local leaders and residents. Often, they rely on real estate development projects to marshal additional resources, attract private investments and catalyze other physical asset improvements and programming that help increase opportunities for the overall neighborhood.

Approaches like community asset mapping or SOAR analysis can provide key insights in identifying gaps that an infusion of capital and investment could address through the NRSA designation. Asset mapping approaches can identify connection points and align physical asset revitalization strategies to develop social capital, meaning individual and collective relationships that are necessary to facilitate collaborations and a sense of social cohesion.

But ultimately, you want the NRSA to leverage existing institutions, networks and capital. We have included some resources at the end of this presentation, the resource slide, that includes additional options to develop a community asset mapping process and how you can conduct a SOAR analysis. Next slide.

Boundaries and eligibility. Diving in, we are going to start by discussing the boundaries and eligibility requirements that must be present in the neighborhood under consideration. Grantees must define the geographical area that comprises the neighborhood and provide a description of the area's distinguishing characteristics.

Most often, these areas already are defined or designated in a comprehensive plan, local ordinances or other planning and land use documents. For example, they might be defined as a neighborhood, a community, a planning area or another similar geographical designation.

In considering the boundaries, proposed activities should be sufficient in size and scope as to have an impact on those distinctive geographic areas within the identified timeframe. It is advisable to reduce the size of the NRSA or to divide an area into smaller NRSA's to increase the likelihood of achieving meaningful change. A grantee would submit individual NRSA strategies for each smaller area.

The NRSA or NRSAs cannot encompass the grantee's entire jurisdiction. All areas within the NRSA boundaries must be contiguous and the grantee must define the NRSA by identifying census tracts and block groups where the NRSA is located. A map denoting the boundaries of the targeted area must also be submitted with the grantee's NRSA application. Next slide.

Demographic criteria. The NRSA area land use must be primarily residential and evidence by the most -- by most of the area covered by local land use designation. That includes residential zoning.

Some examples of what residential may include or land designations may include are crossroads mixed-use centers, downtown regional growth centers, general commercial, multifamily that's high density and low density, neighborhood commercial, neighborhood mixed-use center, or single family residential.

Examples of land use designations that are nonresidential include heavy industrial, light industrial, major institutional campuses [inaudible] and other open spaces. The designated area must be documented as primarily residential with the majority of residents specifically, as indicated in the notice, not less than 51 percent of low-and-moderate income. Next slide.

Consultation. A key aspect of the NRSA designation is to create opportunity in distressed neighborhoods by stimulating the investment of human and economic capital and by economically empowering low-income residents.

Learning from the field, we know that in order for a revitalization strategy to be successful, it must have the support of all the community actors. The grantee must describe how this strategy was developed in consultation with stakeholders. This involvement should be contiguous from the beginning of the planning process through implementation of the designation period, which may not exceed five years.

Stakeholders include affected residents of the proposed strategy area, those that reside in public and assisted housing, owners and operators of business and financial institutions, community-based organizations and community-based development organizations, other nonprofit organizations, and community groups that are in or serve in the neighborhood.

Grantees should identify specific key stakeholders and explain how they will be engaged throughout the NRSA period. The intent of the consultation process is to demonstrate that grantees actively engage stakeholders, including residents of the proposed NRSA.

Prior to submission of the NRSA plan to HUD, grantees are encouraged to conduct at least one public meeting with residents in the broader community to discuss the proposed NRSA. This public meeting may be in addition to the consolidated plan or annual plan public hearing.

Residents, community members and stakeholders should be given opportunities to express their support or lack of support for the proposals presented and given the power to affect changes impacting their living environment. Experience has shown that engaged residents greatly enhance the area's chances for success. Next slide.

Assessment. Grantee strategy must include an assessment of the housing and market conditions of the area. An examination of housing and economic improvement, an infusion of investments could support and the problems likely to be encountered in pursuit of such goals.

The grantees should provide a narrative description of the neighborhood, including the history, location, ethnic and racial changes, economics, community assets, transit, educational opportunities, employment centers, along with specific infrastructure, which is made up of places, policies, programs and practices that enable people to connect with one another and address your concerns and build on communities.

The assessment should also include a description of the neighborhood's current status in comparison to the rest of the grantee's jurisdiction, explaining patterns with disinvestment, existing neighborhood assets, patterns of racial or ethnic concentration and patterns of poverty concentration due to disinvestment.

A description of ongoing or recent revitalization activities and new investments that may be taking place in the neighborhood or in its periphery, particularly if this area has experienced disinvestment over a prolonged period of time. A description of challenges residents have accessing job opportunities and a description of critical housing challenges facing the neighborhood, including high rates of vacancy, overcrowding, cost burden and other broader housing instability issues.

Local data sources that are available to assess the housing market and economic conditions include tax reports and studies, incorporating qualitative data through the consultation process and community feedback and quantitative data through the decennial census, ACF, CHAD, the eCon Planning Suite, along with AFFH data.

You don't have to go at this alone. The assessment is a great opportunity to partner with anchor institutions like local colleges and universities who support the data collection and analysis capacity. Next slide.

Housing and economic conditions. The focus of the NRSA is to develop strategies and implementation plans to promote the targeted area's economic process. The focus will be on activities that benefit low-and-moderate income persons by increasing affordable housing opportunities and expanding economic opportunities through activities that promote revitalization of the neighborhood, revitalization activities that serve the area and that can draw in investment from the surrounding regions.

Sustainable economic strategy should take advantage of area access and human capital. So taking a moment and focusing on housing. Grantees are encouraged to develop housing goals available to households with a broad range of incomes.

This includes housing that is available to households with moderate to middle income as needed to improve the housing market dynamics in the neighborhood. Grantees should provide descriptions of the housing component of the plan and include a description of the housing activity and goals the grantee plans to accomplish.

Looking at economic opportunities, grantees are encouraged to create or retain jobs that result in households that are economically stable and self-sufficient. Grantees should provide a description of economic development component of the plan and include a description of the types of jobs the grantee plans to create or retain, as well as any targeted population for employment-focused initiative. The grantees should discuss any supportive services, such as job training, that may be provided as part of this strategy. Next slide.

Leverage. A critical 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 and the strategy should outline the grantee's proposed leverage sources for the NRSA.

The grantee will be required to report on leveraged funding sources received and use to support the NRSA. A failure to document leverage could result in the NRSA not being renewed at the end of its five-year term.

Upon approval of the NRSA, the grantee must describe to HUD resources that are being applied to achieve the goal. In addition, grantees should describe other funding sources being utilized. Remember, you can't do all of it alone. To achieve your goals, you will need to leverage other resources.

The NRSA is one tool in a toolbox, and by leveraging, you can utilize the NRSA designation as a way to access additional resources. Opportunities can increase as a result of the NRSA designation. In addition to the NRSA application planning exercise and leveraging can include the following we have listed on this slide, including Choice Neighborhood, RAD, opportunity zones, LIHTC, and also additional local sources such as KIPP and other economic development incentives. Next slide.

In addition too, we did want to take a few minutes and walk-through opportunity zones. Many jurisdictions possess assets that are untapped; and an option -- we've provided a table here -- that walks through ways that you can use the NRSA designation and the regulatory flexibility afforded to align with opportunity zones.

So in terms of aggregating housing units, CDBG funds could be leveraged with investments from the qualified opportunity funds to develop market rate for mixed income housing in the NRSA and opportunity zone area.

Job creation and retention in low-and-moderate are benefits. Reduced documentation and reporting standards could attract investments from the qualified opportunity fund in economic development projects within the NRSA.

And the aggregation of public benefits, the exemption from the aggregate standard means that the grantee may offer more assistance to attract companies that will be able to create jobs within the NRSA designation. And lastly, the public service cap exemption offers additional public services within the NRSA to directly support investments from the qualified opportunity funds. Next slide.

Performance measures. Performance measures should be reported on a -- regularly so that stakeholders and affected citizens continue to stay informed and you can assess how and where the strategies are making progress. The grantee's strategies must identify the results expected to be achieved, such as physical improvements, social initiatives, increased affordable housing, and/or economic progress.

Expecting achievement 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 economic opportunity. We'll come back to performance measures and discuss a little bit further. Next slide.

Jared Elwell: I'd like to thank Anna for walking you through the elements of the NRSA application and I'd also like to note that accompanying this webinar will be a neighborhood revitalization strategy area annotated checklist that HUD will be posting for your use. Next slide.

So in this section, we'll be covering the process for submission to HUD and approval of the NRSA application. I'd like to note that it's important for you to notify your CPD field office rep of your intent to submit an NRSA application prior to the preparation of the application and I cannot stress enough to do that as early as possible. And this will facilitate the expeditious review and approval of your application.

During that consultation with your field office rep, you'll -- you should discuss the NRSA boundaries under consideration, the existing assets of the neighborhood, the capital solutions that the NRSA designation can provide, potential strategies to leverage regulatory flexibilities afforded to other grantees.

So your field office rep can advise you on strategies and benefits that other jurisdictions are utilizing that may not be part of your original thinking. Submit the application and coordinate on the monitor and reporting process linked to the consolidated plan and the annual action plans. Next slide.

So the following submission options are actually types of submissions that are available to the grantees and will affect the NRSA term accordingly. The first is an original NRSA application submission of a new target area.

The second type of submission is a request to renew an existing NRSA with updated required contents and a written statement that the strategy can still be effective if approved. And the final type of submission is a request for approval of an amended strategy with a new term. Next slide.

So post-submission to HUD. The review approval timeframe for HUD. The simple answer, although not completely satisfying, is that it depends. But I would like to reiterate that HUD will not withhold

approval of the ConPlan if the NRSA request cannot concurrently be approved, but ideally, they will be approved concurrently.

Implementation steps upon approval. Identifying better off metrics. Better off metrics or measures identify who the intended beneficiaries are, how you will know that your strategies were successful for this target group. We'll also be required to track progress through IDIS and any other federal tracking mechanisms for which you're leveraging benefits or solutions.

For example, low-income housing tax credits and new market tax credits. Local tracking efforts. And also you will be required to document your impact. With that, I will hand it off to Anna to discuss NRSA best practices.

Anna Ravindranath: Next slide. Telling the story and documenting impact. Identifying metrics and measuring progress are required parts of the NRSA process. And as part of that, grantees should focus on your activities on what matters, allow the performance measurements, provide understanding of the impact of strategies, and document and track relevant conditions in the NRSA.

All of this will put you in a better starting point to determine renewal of the NRSA after the initial five-year designation period and next planning cycle. So here we've outlined a few examples of why document impacting is difficult. We recognize that documenting impact is a critical part of the NRSA process and important to ensure that your strategies are successful in the NRSA, but we also acknowledge common challenges faced by grantees.

Some conceptual challenges include difficulty defining or determining what to focus on and we recommend creating SMART goals as a way to overcome those challenges. Additional challenges might be hard-packing [ph] an ordinance that is necessary for the outcome to come into fruition, or when a development will increase the supply in affordable housing.

Some ways we recommend thinking through is thinking about the measurement in the process of creating the goals and strategies. So while you're creating your goals and strategies, paying attention to potential measurement benchmarks that you could track along the way.

Some practical challenges include the availability of data, the logistics of sharing and accessing data, the timeframes with data and then also the reporting and analysis burden. Some recommendations we've provided to overcoming these challenges is we acknowledge that you can't do it alone and we can't always measure everything we would like to.

So where possible, focus on measuring -- focus on measures that are already available that we're already collecting and reporting on and that is achievable. And some political challenges that come along with documenting impact include that it highlights efforts to address conditions that could draw further public attention and criticism.

And we encourage that educating elected officials and the public are critical components to this process and the consultation process and emphasizing the value of performance measurements and emphasizing the regulatory obligations as part of the NRSA.

Grantees also should identify specific metrics and milestones that you want to use to measure your progress towards your goals, and that is a critical component to educating elected officials and the public. Deciding the process for measuring these on an ongoing basis and reporting on your progress moving forward. Next slide.

Goals in the NRSA should describe meaningful actions to be taken, not just an attitude or an aspiration. The goal may call for very specific actions for describing a broader objective that will subsequently be translated into specific actions assessed.

For example, consider this. Exploring strategies to address housing needs in the NRSA versus from the development of 30 units of affordable housing in the NRSA. Such an example provides specificity and identifies the broader objective of addressing housing needs in the NRSA.

In the previous slide, we mentioned SMART goals. We're going to take a moment and consider and walk through the SMART goal acronym. Again, SMART goals stand for specific, measurable, action-oriented, realistic and timebound.

A goal should be specific and provide the necessary specificity in the statement of the goal itself or in the metrics that you identify to measure achievement of the goal. A goal should be measurable and include enough details so that specific metrics and milestones are either included in the goal or can be extrapolated from the goals and used to measure success in achieving your goals.

Metrics and milestones should be identified for each of your goals. Action-oriented goals describe meaningful actions to be taken. The goal may call for very specific actions or describe a broader objective that will subsequently be translated into specific action steps.

When thinking about realistic goals, you want to consider barriers and limitations that will affect the ability to address a particular goal. Some realistic barriers you may encounter include capacity, political will or other external factors.

Understand and explain the limitations of the situation. Think strategically about realistic goals that will achieve strong outcomes. Timebound. Here is where you bring in the consolidated planning framework and factor in strategies in five-year incrementals to assess progress and renewing the NRSA designation.

The NRSA goals should be measurable and specific enough to show the expected output and positive steps taken reaching the desired outcomes of increased housing and economic opportunities. Some examples of outcomes may include increase in homeownership rates, reduction in vacancy rate, increase in housing values, increase in educational attainment, increase in employment rates, or increase in median household income.

We also want to know and identify the expected output or actions that accompany each outcome. Output could look like assisting a new business or existing business, jobs created or retained in the area, funds that are being leveraged, activities that are direct benefit activities to low and moderate income residents, low -- the number of low-and-moderate income households assisted, brownfields that have been remediated, new access to public facilities, business [inaudible] buildings rehabilitated or the number of blighted buildings demolished.

Remember, HUD provides greater flexibility in the use of your CDBG resources with the NRSA designation, including the Section 108 loan guarantee program funds. Next slide. So we -- here, we have put together a sample with a couple of examples about how you could potentially track progress and document income impact. And the way this has been developed is to really cover this spectrum of data capacity and support that grantees have.

So if you have tools and internal capacity to be able to do data tracking and monitoring most of the time, or if you're really -- if you have limited staff to support and you're really going to be relying on putting together Excel spreadsheets, each of these columns walks through and provides examples of

the type of data that you want to be collecting along the way and how you want each of these data inputs to connect to each other.

Now, remember, identifying metrics and measuring progresses are required as part of the NRSA process. We want to focus on your activities that matter, want to allow a performance measurement, provide an understanding of impactful strategies and document relevant conditions.

There are two tasks ahead of you with metrics and outcomes. First, identifying the specific metrics and milestones you want to use to measure your progress towards the goal. And second, defining the process for measuring these on an ongoing basis and reporting on the progress moving forward.

So the first example we have here is a goal to create 150 new jobs by providing financial assistance to small businesses located within the NRSA. This provides you why you're doing it and the lack of investment or the gap in investment that you're trying to address.

Now, the how you're going to do it is broken up into two parts. This strategy that you're really focused on, and then the second part is the action or the steps that you're going to be taking and the ways that you're going to be leveraging the NRSA designation.

And here, market the job creation program to existing businesses who are wishing to expand or new businesses who are looking to establish within the NRSA area. And the steps that you're going to take is job -- creation of jobs, creation of a job -- job creation program under the low mod area national objective.

This is where you're leveraging the NRSA designation regulatory benefits in support of a job creation program. And you also want to identify your intended beneficiary, so who or who are the clients of this initiative? And this includes small businesses located within the NRSA, and the secondary beneficiaries certainly include residents of the NRSA. Additionally, unemployed residents.

It normally will also include better off measures indicating timeframes for when these measures will be available and have indicated how they also relate to then your outcome from the goal of creating 150 new jobs by providing financial assistance to small businesses.

The second example we have is focused on affordable housing. So the goal is to site 100 units of new affordable housing with a mix of two, three and four bedrooms to increase the supply of adequate and healthy housing options for families and school-aged children.

So the strategy here is to identify and allocate city-owned land, particularly in areas that -- within the NRSA that are connected to other amenities including green space and playgrounds, transit, schools and broader amenities like health care services that support wellbeing.

And the action steps identified here include the aggregation of housing units and that's the regulatory benefit that's being leveraged here, and community response to capital to underwrite, the ability to underwrite and facilitate [inaudible] to make it possible for the development of 100 new family units.

And when you're thinking about the intended beneficiaries, this could also take two parts. Certainly, families, school-aged children and youth are beneficiaries of this development, but initially it might be your community-based organizations, your community development corporations, nonprofit housing developers or other broader housing developers.

Within one year, the city will review an amended zoning ordinance to eliminate barriers to the construction of new affordable housing. So here, we've included an example of where, in order to

really measure the outcome of the goal of citing 100 new units of affordable housing, it triggers a policy change that's necessary and it's important to track that along the way as well.

And then within five years, 100 units of new affordable housing will be cited and constructed within -- with connections to amenities. It's important to remember that you're required to report out on your NRSA on an annual basis. If your goal is to cite 100 units, it may take you the full five-year timeframe of the designation to really be able to report out on the outcome of those 100 units.

But there's other steps, including policy changes, changes in underwriting guidelines [inaudible] impossible which could be a result of the different funding sources you've brought in and leveraged. But then you also want to be able to capture the human capital opportunities here as well, which could be creating additional opportunities for partnerships with -- for development and funders.

And this goes back to your intended beneficiaries and the primary beneficiaries in this case are your community-based organizations who may not have had access to the capital and the investment to bring these 100 units into reality. Next slide.

That concludes the walkthrough of the NRSA. We would like to highlight here additional resources that we have provided for folks to develop an NRSA, including examples. We've included a few examples of the NR- -- yeah. Thank you. On Slide 32, we've included a few examples of NRSA applications that we encourage folks to check out.

Detroit, Michigan is a really good example if you're considering having multiple NRSAs. And Vancouver, Washington really focused a lot of their strategies on small business support along with Springfield, Massachusetts. And Raleigh, North Carolina is a good example if you're looking to really focus your NRSA activities around housing and really balancing market rehousing with affordable housing.

We've also included additional HUD resources that we believe will be really helpful including a notice on APAs five-year 2011 to 2015 summary data. And we've also added additional resources to help support community asset mapping exercises and also conducting a SOAR analysis as part of your assessment. Next slide. At this time, we'll transition to the panel and Q&A portion of the webinar.

Jared Elwell: Welcome again everyone. Appreciate you joining us and I invite the panelists to join us on video for those that would like to and those that will remain off video, if you could unmute.

All right, folks. So we appreciate you hanging with us. We were hoping that by putting together this panel, that we would be able to bring the notice and the webinar to life. We've invited some panelists to join us that are -- that have implemented and are actively implementing NRSAs. So I'll take care of introducing them and then we'll get into the panel discussion and then we'll follow it up with Q&A.

So from Springfield, Massachusetts, we have Cathy Buono. Since 1997, Cathy's been the director of administration and finance in the Community Development Department for the city of Springfield, Massachusetts. We also have Peggy Sheehan. Peggy has more than 15 years' experience as the community development grants manager for the city of Vancouver, Washington and before that, she worked for Clark County.

Jack Peters is joining us as well. Jack is the director of community planning and development in HUD's Seattle field office and I will let Jack share with you all how long he's been working in this field, if he so desires. And after the panel discussion, we'll be joined for Q&A by Duncan Yetman, the deputy director of the Entitlement Communities Division, and Joey Baietti from the Financial Management Division at HUD.

So without further delay, I'll throw the first question to Peggy. Peggy, can you describe a little bit about your NRSA and factors that influenced your decision to pursue the NRSA designation of the neighborhood you chose and how and when you decided to engage your local field office about your decision.

Peggy Sheehan: Great. Thanks, Jared. So we -- the city of Vancouver had an NRSA from June of 2006 through 2019. So it was approved for two different consolidated plan years. We started working with our field office right away and part of it was is the -- I had been at the city of Vancouver for less than a year and we decided to -- I had gone to several trainings and one of the training was about how to help businesses and the NRSA was featured in that training.

So we reached out to our HUD rep and asked her how -- what -- she worked with us all along to develop our strategies and our application. I'll tell you a little bit about the area where we chose to put the NRSA. Our downtown area is about 25 blocks long and maybe three blocks wide and it is surrounded on all sides by single family homes and also by multifamily homes.

All of the area back in 2006 through 2019 was very low-income with a lot of empty storefronts, a lot of older homes that were very reasonably priced at that time. There was, like I said, a lot of boarded up storefronts. Not very -- no new businesses at all. And the city had invested a lot of money in the Esther Short Park area.

For all intents and purposes, it had been known as a place where folks could gather that were homeless or didn't have anything else to do. It wasn't really a place for families. The area was -- it was considered blighted, not by CDBG terms though. And we spent a lot of money and we wanted to try to figure out a way to even provide more focus on that area.

So we chose the 10 blocks of our downtown that were the most impacted by the lack of businesses and the lack of community support. We developed seven strategies and the strategies were pretty much what the -- what your PowerPoint has shown.

We focused on providing supportive services for people who were homeless, we addressed the public infrastructure needs, and spent a lot of -- we had several strategies on how we could support small businesses. I think that's the answers to that question.

Jared Elwell: I appreciate that, Peggy. I'm going to pivot to Jack and ask Jack to share a little bit about your experience -- the experience in your field office, engaging Vancouver and other jurisdictions in your region in those discussions and maybe how your approach to those discussions has evolved over time with a grantee's interest in pursuing an NRSA designation and how you walk them through that process.

Jack Peters: Sure. Well, thank you Jared and Peggy. Yeah. I'll just say that NRSAs can be, as Peggy indicated, a [inaudible] area of activity and my career follows those decades. I'll leave my career at that, multi-decade. Anyway, yeah. We have worked with Vancouver and other cities in the state, both urban and rural; some in eastern Washington, desert country and so forth. But it's been [inaudible] with the CPD representative for -- that we assigned to [inaudible] communities that can help work through the process from day one.

In the past, we've had the ability to have an economic development specialist on staff that has worked with -- I know worked with Vancouver quite a bit to refine their [inaudible] cities. And even [inaudible] still available [inaudible] headquarters, more so than from us or through some technical assistance portals that we have, and that's been quite helpful.

So I think our approach has been to work through the entire sort of [inaudible] process, taking advantage of the [inaudible] of the overall strategy going through identification of needs to strategies based on those needs. And they come down to individual [inaudible] boundaries in the case of NRSAs, and we worked with large NRSA boundaries and smaller ones.

Sometimes, it's a challenge to figure out what the exact boundary should be. It could be [inaudible] accomplished originally with the field office and the community and the areas that can't be handled and approved. [Inaudible] may be a little more [inaudible] to do it sometimes.

Also, there's a benefit from NRSAs I just want to mention. Through the consultation process, other results are [inaudible] boundaries [inaudible] NRSA but adjacent. And so it's a -- kind of a building block then over time. So yeah. I think I'll leave it at that, Jared.

Jared Elwell: Okay. And Jack, the folks in your office, are they just conducting a desk review of the application?

Jack Peters: No. I would suggest that it's -- while it is right now probably, we have one or two under review now, it's mostly desk. But most of our reps have been to the community. That -- I think that's a key factor that our reps do visit the communities.

For example, it's not uncommon when we do a [inaudible] which is a [inaudible] element that we can take an extra half a day to [inaudible] the neighborhood to provide some [inaudible] assistance. And sometimes an NRSA is appropriate for that. And I personally, if we go to an [inaudible] conference, reach the community through other [inaudible] associations. We get to know the community whenever possible [inaudible] beyond a desk review is very important.

Jared Elwell: Thanks, Jack. The next question will pivot all the way across the country to Massachusetts to Cathy in Springfield and ask Cathy to describe your NRSA a little bit and how the NRSA's been helpful in deploying your CDBG and Section 108 funds. And if you can share a little bit about the regulatory flexibilities that you've benefitted from afforded by the NRSA.

Cathy Buono: So the city of Springfield -- and I call it a NRSA, so excuse me for that. But the city of Springfield's had a NRSA for as long as I can remember. It was very large and over the years we have cut it down and targeted it as HUD has wanted us to.

It currently has two neighborhoods and the way we picked those two neighborhoods is the city of Springfield was awarded two disaster grants, the DR and the NDR. So those are the \$21 million and \$17 million. So those funds are targeting other neighborhoods.

So of all our 17 neighborhoods, you can make an argument for a lot of them, but we chose two for our NRSA that aren't receiving any of the disaster funds. And that is the downtown metro center and the north end. The reason the metro center is in there because -- I don't know. Maybe people don't know. But MGM Casino built a casino right in the middle of downtown Springfield.

It was doing great before COVID. It's hanging on now. But -- so what we wanted to do was build up the restaurant district and stores, etc., around the casino to encourage people to leave the casino and walk around. So we actually are using -- we use the NRSA public benefit for job creation for a 108 downtown dining district loan fund.

So it did enable us to use to make it more appealing to businesses who wanted to take out a 108 loan. We also use the public service cap, the exemption from the public service cap for organizations in the north end. They are exempt from the public service cap because they are a CBD owned, they serve the NRSA.

And the hardest thing is making the board 51 percent low-mod. So these organizations have been able to do it. We have been able to give them more money than we normally would be giving the 50 percent cap. So that is how it's benefitted us. We use it mostly for businesses and we do use it for the public service cap.

Although we wish more organizations would qualify, they do not. But we -- that's how we chose those two neighborhoods and we focused on them and we did all our -- we did our NRSA during our ConPlan and we just renewed -- we renewed the NRSA and the ConPlan this past summer.

Jared Elwell: Thanks, Cathy. We've had a couple of questions come in during the webinar. One was about youth serving CBDOs. And does your CBDO, is it a youth serving organizations? And the second, can you describe a little bit more about the benefit that's provided to the metro center with regard to employment?

Cathy Buono: So the organization -- one of the organizations that we do fund in north end does run a youth program, so yes we do. And the public benefit we take advantage of is that for every -- it's -- if you're in the NRSA, it's every \$50,000 for every one job. HUD does say if it's in the NRSA, it's presumed, but they also say that the business or restaurant has to serve the NRSA, and sometimes it's difficult to prove that if it's a high-end restaurant in a low-income neighborhood.

So we go into this as job creation and we do get the documentation but it's only \$50,000. And we give out \$200,000 loans, so it would only be four full-time jobs that they would have to show us.

Jared Elwell: Great. Thank you. We'll pivot back across the country to Peggy. Peggy, what other funding and/or programs have you leveraged in your NRSA to stimulate investment towards the comprehensive community revitalization? And describe any neighborhood outcomes that you can tie back to the NRSA's designation benefits.

Peggy Sheehan: Great. Well, thank you. So we were really fortunate that we had a lot of other funding that stimulated the growth in the area due to the NRSA. In Washington State, the -- any -- if the city designates an area for -- or a county designates an area for redevelopment, and it can be called a whole bunch of different names, they get extra credits for low-income housing tax credits.

They get -- there's extra credit available through the TIGER grants, through the federal system. There's some extra credits available for new market tax credits. So we had -- and we also have the -- Washington State also allows jurisdictions to grant property tax waivers for multifamily housing and that -- we also were able to marry that with the NRSA.

So our city benefitted a lot by having the NRSA. And somebody -- I saw on the chat that somebody asked any we didn't renew. The reason why we didn't renew our application for this area is the area, until COVID, was going very strong. There was -- there were no empty storefronts.

The area was busy and it's hard to imagine the downtown area that's strictly -- that the main employer is government. But we had three other employers in there. Lots of restaurants. Lots of activity. We also were able to marry the NRSA designation with a Section 108 loan which provided the first round of development in our waterfront.

Jared Elwell: Great. Thanks, Peggy.

Peggy Sheehan: Sure.

Jared Elwell: I'm going to ask Cathy to describe how the NRSA application process compares to other HUD administrative requirements.

Cathy Buono: So the NRSA application isn't really a heavy lift especially if you're doing it during your ConPlan. It isn't ridiculous like some of the HUD documents. Sorry. But if you're doing the ConPlan, it's really cutting and pasting. You've already determined what your priorities are.

You do have to determine what neighborhoods you want. They wanted targeted and they have to be contiguous, so they have to be next to each other. But once you do that, it's really -- you have all the data. It's producing a map. You know, things like that. It really is not hard. It's not something you need a consultant for, but if you do have a consultant for your ConPlan, that consultant can put it together probably in a day once you have the ConPlan pretty much done.

So it isn't hard at all and that's why if you're thinking about using it all, it is worth it. Even if you're not thinking now, if you're thinking down the road a couple years from now if you want to run some type of program, it has helped us a lot.

I just warn people that if you're going to have organizations go through -- jump through the hoops to become a CBDO and try to exempt them from the public service cap, you're ready to hand them -- give the more money than you normally would. So just make sure you have the money to back it up because it isn't an easy process if they're going to change their board makeup to meet the qualifications. They're going to expect money.

We had no -- we didn't have any organizations willing to change their board. That was the big sticking point. But if you are, just be careful and be ready to hand them money. But it -- I wouldn't say -- it's not like all the other ones. If you're doing a ConPlan, you already have all the information there.

Jared Elwell: Great. Thanks, Cathy. Jack, do you have any advice for grantees that are maybe on the fence about pursuing an NRSA?

Jack Peters: Well, I would say one thing is the consultation aspect, to pay close attention to consulting with your neighborhood groups. I found that sometimes the neighborhood interest is sparked from a particular community neighborhood group, a small group, that it wasn't shared by the entire neighborhood. And so it did not come to fruition in that case.

But in other cases, it has and the consultation really helped when [inaudible] base, including what could be educational institutions, the schools or technical college, community center boards, CBDOS, as has been mentioned. The only thing I would mention is the ability to track the information as was pointed out in the document that was put out.

It can be quite helpful to the city by showing the political leadership, the progress that is being made. [Inaudible] and the use of funds, I notice times where we have projects that are doing acquisitions [inaudible] it's just not resulting in the construction of affordable housing that was intended. So this [inaudible] stays [inaudible] for too long and the project doesn't [inaudible] to meet a national objective.

So to be able to go back to political leadership with that issue and then [inaudible] how it affects their communities [inaudible] and to accelerate that funding as the political [inaudible] is very helpful.

Jared Elwell: Thanks, Jack. And Peggy, any advice for grantees thinking about pursuing NRSA designation? Any words of wisdom to share?

Peggy Sheehan: Yeah. Of course. I would encourage people to move forward with it. For us, it was very simple. The presentation that was just given was very detailed but your plan is -- can be tailored to your community, and if you don't need that much detail, then you can work with your HUD rep to get it approved anyway.

The same with the reporting. You guys did such a good job on your presentation, but the city's recording for our project was really streamlined, very simple and I'm happy to share that with you guys as well.

Jared Elwell: Great. Thank you.

Peggy Sheehan: [Inaudible] Jared.

Jared Elwell: We appreciate you all joining us. We're going to invite Joey Baietti and Duncan Yetman to join us if there are any questions that the participants on the webinar would like to submit and get live answers to. And feel free to direct them either at folks from headquarters, Jack in his role in the field office, and/or Peggy and Cathy as grantees and practitioners that are actively implementing NRSAs.

Joey Baietti: Thank you everyone for the great presentation and information. I'm wondering if while we wait for the participants to send in their questions if I could ask a question myself. I'm wondering, Peggy and Cathy, if you have any thoughts on any specific piece of information that you know now that you wish you would have known when you were starting to think about the NRSA designation.

Peggy Sheehan: Sure. This is Peggy. The thing that, looking back, especially with the questions that folks have raised, I wish that I would have taken more pictures. We started this before that was really the thing to do. But if we would have had pictures of the area prior to the NRSA designation and then pictures of the area when we were completed, they -- you would not even be able to tell. You wouldn't think that you were in the same part of the city.

So we the city, we the CDBG staff, we took a lot of credit for the development of the area even though we didn't really spend a huge amount of community development block grant and whole money in the area. But just by providing the additional focus, I think helped tremendously.

Jared Elwell: Thanks, Peggy. So we do have a question that came in. Are practical examples of -- any practical examples of using NRSA with a Section 108 loan guarantee program? What was specifically done? Cathy already mentioned the restaurant loan program up to \$200,000 to help open restaurants in the metro center area to get folks out of the casino. Peggy, do you want to share a little bit about your 108 program and how you use that funding for --

Peggy Sheehan: Yes.

Jared Elwell: -- I believe it was infrastructure improvement?

Peggy Sheehan: Yes. The city of Vancouver used the Section 108 money for -- we -- the west part of town, which is -- was at the far end of the downtown was shut off by a railroad overpass and the railroad overpass was too short to allow emergency vehicles to go through or big trucks or anything.

So we used our Section 108 money to raise that -- raise the railroad bridge and then it opened up that whole part of town, including the waterfront. If you go to the city's website, there is -- we have lots of pictures of the waterfront on that website and all this development has happened in the last 10 years. And the very first part of the development was the NRSA and then we applied for the Section 108 loan right after that.

Jack Peters: This is Jack. I just wanted to attest to that, having been in that area. The access to the [inaudible] and to the [inaudible] through that overpass. Opening is great and plus the total revitalization of the waterfront area through infrastructure development, and that included a remediation of what I would consider a significant [inaudible] obstacles and putting in infrastructure.

So I think that NRSA is exemplary of how you -- assisting community NRSAs with infrastructure work that otherwise [inaudible] considered is a good example.

Jared Elwell: Thanks, Jack. Joey, there's a question about this required joint application with local government. I'm going to guess that that's a community-based organization asking that question.

Joey Baietti: Yeah. I was wondering myself, so it Beverly Carlton wants to elaborate on that question, please let us know. But the idea would be yes. It does involve working with the recipient of the CDBG funds. But I wonder if we can expand that question and make it about working with elected officials.

I don't know if Peggy or Cathy, you had any insights on, did the designation -- was it helpful in conversations with elected officials when working on development projects? Or did that even come up at all in your NRSA process?

Cathy Buono: It didn't come up in ours. I mean, we did a lot of outreach and we talked about it at all our meetings we had for the ConPlan and elected officials and people from the city were there. But it didn't come up at all for us.

Peggy Sheehan: So this is Peggy. And we -- our elected officials at the time, so we had -- over those 10 years, we had three different councils. And they, even today, if you ask one of our councilmembers what an NRSA means, they'll be able to tell you. They -- we tied it with the Section 108 and with all of the other work that we did in our downtown area.

Jared Elwell: Very good. We have a couple of questions. Yeah. So it -- Beverly did specify that it is a nonprofit in North Carolina so the application would be coming from the entitlement community grantee of the CDBG front. And another question, our current plan is to wait until census data comes out for a new NRSA. Did others incorporate census data in their analysis and how? So either Peggy or Cathy. I guess Peggy is already off mute. Do you want to --

Peggy Sheehan: Oh. Sure.

Jared Elwell: -- address that first?

Peggy Sheehan: So yes. We did use census data at the time. But we use census data for a lot of stuff. And we just ran reports based on mainly income and household size and we also -- and minorities. So we did those three. There's three sections of the American Community Survey. And now it's even easier to use, but we just ran the standard reports for, like I said, income, household size and race and ethnicity.

Jared Elwell: Great. And Cathy?

Cathy Buono: We did the same. I know a new census is coming out, but we just went with what we had now. But we did the race, ethnicity, income, etc. Same as Peggy.

Jared Elwell: Okay. Another question --

Cathy Buono: It's just easier to do when you do it with your ConPlan rather than wait and do it when the new census and you just have an action plan. Because you're doing all the analysis then, so it just makes it a lot easier. But it's not some -- it's not that difficult with an action plan either. But it's easier with the ConPlan.

Jared Elwell: Another question came in, Cathy, for you and it's -- I think it's sort of asking for a little clarification around the restaurant loan program. So the question is, grant or loan to NRSA businesses

require hiring NRSA residents to use LMA area wide job benefit; right? Otherwise, the usual CDBG ED rules would apply to any jobholders.

Cathy Buono: So we did it based on the household income of the employees. We didn't particularly use the -- the only thing we used as far as the -- for NRSA was the public benefit of \$50,000 versus \$35,000. So there's a lot of things you can assume with the NRSA but you also have to be careful because the big assumption is that a business that we're starting, we're giving money to, serves that NRSA.

And the city wasn't comfortable making that argument that these restaurants just serve the NRSA. So no. We didn't use that the employees had to be NRSA residents. No. We went with just the -- oh. Sorry. With the job for each \$50,000, one low-income job.

Jared Elwell: Okay. All right. I -- Duncan, did you want to add anything?

Duncan Yetman: No. Not on this particular note here. I mean, I think it -- the question was a little confusing in terms of whether they were seeking an LMA benefit, low and moderate area benefit or low-and-moderate income job benefit. There's not an area-wide job benefit but there is the aggregate public benefit standard, that exemption here, which differs from meeting a national objective. So you have to be careful as to your -- maybe that could be explained a little bit better in that question but yeah.

Joey Baietti: But one of the benefits of the NRSA is that you can choose to satisfy the area benefit national objective over the job national objective if --

Duncan Yetman: Right.

Joey Baietti: Right? So I think the question was asking, if you are choosing to satisfy the area national benefit over the job national benefit, would the employees -- would you have to document that the employees are from the NRSA or could any employees that are hired into those positions still qualify for that exemption? And I believe the answer is that any employees. Because it's the assisted business. The business receiving the assistance is in the NRSA is what grants the exemption.

Duncan Yetman: And it's a service business. They're serving the residents of the NRSA.

Cathy Buono: You have to be careful. You have to prove that that business serves the NRSA because we've been called on that. So a high-end -- city of Springfield, a high-end restaurant in the middle of a low-income neighborhood, I can't make that argument and I can't make it if I tried to.

Duncan Yetman: Exactly. Yeah.

Cathy Buono: And --

Joey Baietti: And I think it is im- --

Cathy Buono: Go ahead. I'm sorry.

Joey Baietti: No. That's okay. I was just going to say I think it's important and kind of the point you're bringing up is that just because the NRSA allows the community to take that exemption doesn't mean that the community has to. And the community can always choose to provide more stringent requirements. So it's really up to the community and how they want to manage their NRSA.

Jared Elwell: All right. I think we're done with questions. I'd like to share with folks that the webinar, the entire webinar will be posted to HUD's YouTube channel. The PowerPoint presentation and also the accompanying checklist will also be made available by HUD.

We appreciate you all joining us this afternoon, particularly Peggy and Cathy, Jack from the field office in Seattle, and Joey and Duncan from headquarters. We realize how busy all of you are and the participants as well. And thank you all for joining us and hope you found this to be helpful. And look forward to seeing you all next time.

(END)