

Request for Application – Neighborhood Stabilization Program 3

September 16, 2011

Division of Housing and Community Development

Ms. Twarla Guest, Administrator

701 North Main Street

Memphis, TN 38107

901.576.4236



Request for Application– Neighborhood Stabilization Program 3

The city of Memphis Division of Housing and Community Development is seeking assistance in identifying vacant, abandoned properties in six (6) designated areas for the purpose of complying with demolition activities in response to its NSP3 award of \$5.2 million.

I Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided an additional \$1 billion for the Neighborhood Stabilization Program (NSP) that was originally established under the Housing and Economic Recovery Act of 2008. HUD will award grants to 270 states and selected local governments to mitigate the negative impact of the nation's economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest. The regulations for NSP3 can be cited at **75 FR 64322**.

State and Local NSP Allocations

NSP3 funds were allocated by a **formula** based on the number of foreclosures and vacancies in the 20 percent of U.S. neighborhoods (Census Tracts) with the highest rates of homes financed by a sub prime mortgage, are delinquent, or are in foreclosure. The minimum grant amount was \$1 million for non-state grantees and the basic allocation is adjusted to ensure that every state receives a minimum of \$5 million. The net result is that these funds are highly targeted to communities with the most severe neighborhood problems associated with the foreclosure crisis.

Target Area Mapping Widget

This **tool** assisted NSP3 applicants in preparing data to submit with their grant application by allowing applicants to draw the exact location of their target neighborhood. The tool will then calculate the number of housing units, Neighborhood NSP3 Score, and State Minimum threshold NSP3 score of the area drawn, and produce a report that the grantee will receive via email within 24 hours. The report will contain all necessary data for the NSP3 application, along with information HUD can use to confirm the intended program area. The applicant should then submit this document with their grant application. This report also provides local housing market and economic data for the target area that can help guide grantees' NSP3 program development and implementation. Data downloadable by state showing the foreclosure risk score, LMMI area benefit, address vacancy, and other information for each block group can be found [here](http://www.huduser.org/portal/datasets/NSP.html): <http://www.huduser.org/portal/datasets/NSP.html>.

Expenditure Timelines

Under NSP3, grantees have 2 years from the date HUD signed their grant agreements to expend 50% of these funds and 3 years to expend an amount equal to these allocations.



II LOCAL PROGRAM OVERVIEW

The City of Memphis received \$5.2 million in the form of a federal grant to fund its local Neighborhood Stabilization Program 3 (NSP3). The City's Neighborhood Stabilization Program 3 (NSP3) is a grant-funded program sponsored by the U.S. Department of Housing and Urban Development. The Division of Housing and Community Development will manage the administration of the NSP grant with the assistance of other divisions and staff.

The City of Memphis' NSP3 program is targeting 6 neighborhoods for demolition activity. They include the following:

- Frayser
- Binghampton
- Vance Avenue Choice Neighborhood
- Glenview
- Orange Mound
- Soulsville/The Works Areas

The designated neighborhoods were chosen based on HUD's criteria which include a high number of foreclosures, high cost mortgages, and heavily blighted properties.

The U. S. Department of Housing and Urban Development describes its goals for demolition under NSP3 as follows:

- NSP created to reverse disinvestment in communities and neighborhoods most impacted by foreclosure
- Among various NSP tools, demolition can be one of the most effective ways to re-build resident confidence in the housing market
- Demolition isn't just about removing distressed buildings; rather it is part of an overall strategy for neighborhood transformation
- Demolition strategies can stabilize the neighborhood and begin re-building lost housing equity

In order to identify properties suitable for demolition under the NSP3 program, HCD is requesting that stakeholders within the six targeted neighborhoods provide information on vacant and blighted properties that may be considered for demolition under this program.

III Implementing procedures

The City of Memphis, through the Division of Housing and Community Development is seeking to identify vacant/abandoned properties in the six neighborhoods identified in section II that if demolished, would have a positive impact on these neighborhoods.

Properties selected for demolition under NSP3 must be deemed as an effective site to eliminate significant sources of blight and threats to safety in these neighborhoods, and also provide for future revitalization opportunities. Additionally, properties that



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would not be likely be demolished through the normal means of condemnation are preferred under our NSP3 program.

Project (s) Selection Process - The RFA process will be used to select potential properties for the demolition activities stated in the NSP3 award. The RFA will require community organizations, neighborhood organizations, faith-based organizations and others within the six designated areas to participate in identifying potential blighted properties. A RFA will be completed in the form of a profile questionnaire and will be provided on any property submitted for participation in the city's NSP3. An external committee will review and score the projects submitted based on the profile questions.

The profile of the potential property identified for demolition activity must be developed based on the following summary criteria, but not limited to:

- Impact on stabilizing and remediation of blight
- Proximity to NSP1 projects or other redevelopment projects, etc.
- Demolition Cost
- Environmental Issues
- Redevelopment opportunities (timeframe)
- Ownership (ability to place lien on properties)

To participate in this process the following RFA must be completed on every property and returned to:

Division of Housing and Community Development
C/O Ms. Twarla Guest, Administrator
Non Profit Housing/NSP
701 North Main Street
Memphis, TN 38107

The completed RFA must be returned **no later than October 14, 2011** in the RFA formatted provided with this document. If you have any questions please contact Ms. Guest @ 901.576.4236.



Request for Application Demolition Activity

NSP3 Community: _____ Date: _____

CDC/Stakeholder: _____ Address of Organization _____

1. Address of Potential Demolition Property (s)

2. Profile of Area:

- Photo of Property (Attach to application)

- Vacant/Abandoned

Yes

No

- Description of Property Condition (any known environmental issues)

3. Property Ownership(s)

- List name and address of owner(s)

- If not owned by community organization, do you have documented permission to demolish? If yes, attach signed notarized documentation.

Yes

No



4. Is this property in close proximity to any NSP1 or other redevelopment activity in this designated area?

Yes

No

If yes, provide name and location of redevelopment projects in close proximity.

5. Provide estimated cost of Demolition? (If available)

6. Describe impact of demolition to the area?

7. Describe the type of Redevelopment Project(s)

- Details of redevelopment project that will replace demolished structure to include type, funding resources, number units, new construction or rehabilitation, etc.
