

NOTICE OF FUNDING AVAILABILITY (NOFA)

**NEIGHBORHOOD STABILIZATION PROGRAM
FOR THE ACQUISITION, REHABILITATION AND RENTAL
OF FORECLOSED HOMES AND RESIDENTIAL PROPERTIES**

The City of North Las Vegas invites qualified organizations, which have been in operation for at least two years, to apply for Neighborhood Stabilization Program (NSP) funding to operate an Acquisition/Rehabilitation/Rental program. NOFA forms are available for download at:

<http://www.cityofnorthlasvegas.com/Departments/CityManager/NeighborhoodServices.shtm>

**It is mandatory that applicants attend the
NSP Acquisition/Rehabilitation/Rental Technical Assistance Meeting**

**June 16, 2009
10:30 a.m. to 12 p.m.
North Las Vegas Library
Multi-Purpose Room
2300 Civic Center Drive
North Las Vegas, NV 89030**

**Applications are due by 2:00 pm on June 23, 2009 to the
Office of Housing and Neighborhood Services
City of North Las Vegas
2240 Civic Center Drive
North Las Vegas, NV 89030**

**Applicants are to submit only one application with
four (4) paper copies and one electronic copy**

If you need assistance accessing the NOFA via the Internet or need special accommodation for the Technical Assistance meeting, please contact Rick Damian at City of North Las Vegas Office of Housing and Neighborhood Services at 702-633-2612 or by email at damianr@cityofnorthlasvegas.com

For questions on the NSP Acquisition/Rehabilitation/Rental NOFA, please contact:

City of North Las Vegas Office of Housing and Neighborhood Services – 633-1532







PROGRAM OVERVIEW

The Neighborhood Stabilization Program (NSP) was developed by the United States Department of Housing and Urban Development (HUD) to implement a portion of H.R. 3221, the Housing and Economic Recovery Act of 2008 (HERA) signed into law on July 30, 2008. NSP funds are designed to provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties in areas of greatest need that might otherwise become sources of abandonment and blight within their communities. In general, HUD considers these funds to be Community Development Block Grant (CDBG) funds and the regulations under 24 CFR 570 are applicable, however special provisions to be used strictly for NSP funds can be located in Title III of the Housing and Economic Recovery Act of 2008. HUD considers the implementation of this program to be an urgent matter. Specific requirements, activities and timelines have been established to ensure local governments use the funds in an expeditious manner. Specifically, NSP funds must be obligated by September 19, 2010, used on specific activities and used primarily to benefit the most impacted neighborhoods.

APPLICATION FUNDING AND APPROVAL PROCESS

The City of North Las Vegas is requesting applications from qualified and capable agencies for the use of NSP funds to purchase, rehabilitate as needed, and rent vacant foreclosed or abandoned homes in the areas of greatest need using the most efficient and effective measures possible. The City of North Las Vegas encourages each applicant to develop a project in the context of how it can make a neighborhood not only more stable, but more sustainable and viable. This proposal process is competitive; therefore, successful proposals will thoroughly and concisely address and document the following topics:

-  Capacity of the applicant to implement housing redevelopment activities
-  Readiness to proceed
-  Ability of complete the project within the specified time frame
-  Ability to leverage additional resources

AVAILABLE FUNDING

CITY OF NORTH LAS VEGAS	
Acquisition/Rehabilitation/Rental	\$2,399,707.00

ELIGIBLE APPLICANTS

Eligible applicants are: 1) Non-profit entities with a current 501(c)3 status from the Internal Revenue Service, 2) Community or civic organizations with a current 501(c)4 status from the Internal Revenue Service, 3) Subordinate organizations of a 501(c)3 organization with a current Section 905 status from the Internal Revenue Service, 4) Any of the above in partnership with a for-profit entity. Applicants are strongly encouraged to partner with For Profit entities that possess expertise and experience in successful community and economic development, project development and/or housing finance and development. All applicants under agreement with the City of North Las Vegas for other federal programs must be currently in compliance with **all** federal programs regulations. If the respondent is a team, the City will require only one entity to be the lead entity. The lead entity must:

- enter into the agreement with the City for program participation
- hold title to the property
- receive and be responsible for all funds under the program
- oversee and manage all rehabilitation work pursuant to the City's requirements
- be responsible for all required compliance and reporting

The other entities in the respondent team should enter into letters of agreement, memoranda of understanding or similar agreements with the lead entity to provide the needed services for the program. If the other team members incur eligible costs that are approved by the City, they will be reimbursed through the lead entity per the terms of their agreement.

INCOME TARGETING

All of the funds made available through the NSP allocation must be used to benefit households whose incomes do not exceed 120 percent of area median income. Not less than 25 percent of these funds must be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house households whose incomes do not exceed 50 percent of area median income. For the purposes of this NOFA, the allocated funding will benefit households whose incomes do not exceed 50 percent of area median income.

DEFINITIONS

Abandoned

A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payment has been made by the property owner for at least 90 days **AND** the property has been vacant for at least 90 days.

Affordable Rents

Affordable rents are defined as the annual Fair Market Rents (FMR) established by HUD annually, adjusted by the number of bedrooms. Affordable rents must also include a utility allowance. The utility allowance is based on utilities paid by the tenant (not including telephone) and adjusted by the number of bedrooms. The City of North Las Vegas will utilize the Utility Allowance Schedule published annually by Housing Authority of Clark County.

FAIR MARKET RENTS
(As of March 2009)

# BEDROOMS	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM
FMR	\$731	\$861	\$1,013	\$1,408	\$1,695

Area Median Income

Income limits are calculated by HUD in accordance with Section 3(b)(2) of the United States Housing Act of 1937, as amended. These limits are based on HUD estimates of median family income, with adjustments based on family size. These figures are updated on an annual basis and new limits will be utilized as published. These limits are available on the www.hud.gov website.

INCOME LIMITS
(As of April 2009)

FAMILY SIZE	1	2	3	4	5	6	7	8
50%	22,900	26,150	29,450	32,700	35,300	37,950	40,550	43,150

Areas of Greatest Need

The City of North Las Vegas has geographically identified the locations of greatest need based on the areas with the greatest percentage of home foreclosures; areas with the highest percentage of homes financed by sub-prime mortgages and areas identified as likely to have a significant rise in the rate of home foreclosures.

Blighted

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare.

Completed

A unit is considered completed once the construction/rehabilitation is 100 percent complete, liens have been released, the permit(s) have been finalized and the Certificate of Occupancy (COO) has been issued by the Building Department, the unit has been rented to an eligible household and the appropriate disposition documentation has been submitted to the City, which has been recorded with the Clark County Recorder.

Current Market Appraised Value

The current market appraised value means the value of a foreclosed home or residential property that is established through an appraisal made in accordance with the appraisal requirements of the URA at 49 CFR 24.103 that is completed within 60 days of an offer being made for the property by a subrecipient or developer.

Davis-Bacon

The Davis-Bacon Act of 1931 is a United States federal law which established the requirement for paying prevailing wages on federal government contracts. For the purpose of this NOFA, Davis-Bacon will be required on all projects consisting of 8 or more units.

Developer Fee

The developer fee is compensation to the developer for the time and risk involved to develop the project. It is typically based on the size of the project, the total development cost and the risk associated with the project. HUD has determined that the developer fee must be reasonable. For the purposes of the City of North Las Vegas, the developer fee, for acquisition-only projects, will equal five (5) percent of the total purchase price of the home. For projects with rehabilitation, the developer fee will total fifteen (15) percent of the combined purchase price and rehabilitation costs.

For-Profit Contractor

A for-profit contractor is a licensed contractor that operates as a for-profit entity.

Foreclosed

A property has been foreclosed upon at the point that under state or local law the mortgage or tax foreclosure is complete. HUD will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure procedure or transfer in lieu of foreclosure, in accordance with state and /or local law.

NSP Preferred Appraiser List

A list of appraisers that have been qualified through the Appraiser Request for Qualifications (RFQ) process required by the Cities of North Las Vegas, Las Vegas, Henderson and Clark County. At a minimum, qualified appraisers must have completed the "REO Appraisal of Residential Property for Foreclosure and Pre-foreclosure" class provided by The Appraisal Institute or an equivalent State of Nevada approved program of study.

Obligated

Funds are obligated for an activity when orders are placed, contracts are awarded, services are received that require payment by the unit of local government or subrecipient. **NOTE:** Funds are not obligated for an activity when subawards/grants to subrecipient are made.

Procurement

The standards for procurement for non-profit organizations can be located at 24 CFR Sections 84.41 through 84.48 for use by subrecipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds.

Profit

Profit means any revenue generated in excess of reasonable costs (including developments fees) from the sale, rental or redevelopment of an NSP investment. Profit is considered NSP project income and must be returned to the local unit of government and reinvested under NSP guidelines.

Program Income

Program income, generated through activities from NSP grants, must be expended on activities that are eligible under the funding source that generated the program income. NSP program income can only be used for NSP eligible housing activities. All program income received and retained is treated as additional funds and is subject to all program regulations. Subrecipients are required to spend any program income before drawing down additional funds.

Subrecipient




A subrecipient is a public or private non-profit agency, authority or organization, or an entity described in 24 CFR 570.204(c).

ELIGIBLE PROPERTIES

The identified areas of greatest need are considered to be in the following zip codes:

CITY OF NORTH LAS VEGAS		
89031	89032	89081

Eligible properties are:


-  Single family homes and multifamily residential properties.
-  Foreclosed, abandoned and vacant for at least 90 days. All NSP projects are subject to the Uniform Relocation Assistance Act, therefore, the City of North Las Vegas will not approve the purchase of any occupied homes or residential properties or of any homes or residential properties which have been occupied during the preceding 90 days.
-  Located within the areas of greatest need.

Property Qualifications

All projects funded with NSP funds must meet local codes when completed as well as all program requirements.

ELIGIBLE ACTIVITIES – ACQUISITION AND REHABILITATION FOR RENTAL

The purpose of NSP is to stabilize communities and neighborhoods. For the purpose of this Notice of Funding Availability, eligible activities will be to purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to rent or rehabilitate and rent such homes and properties for qualified tenants.

-  **Acquisition, Rehabilitation and Distribution (24 CFR 570.201(a),(b) and 570.202:**
Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to rent such homes and properties.
- Acquisition and/or rehabilitation (limited) of single family homes for use as rental housing up to 50 percent AMI
 - Acquisition and/or rehabilitation (limited) of multifamily complexes for rental housing up to 50 percent AMI

NSP PROJECT RELATED REQUIREMENTS

Timeliness

Federal guidelines require that these funds be spent in a timely and expeditious manner. Funding provided under the NSP must be obligated by September 19, 2010.

Property Acquisition

All NSP funded property acquisitions must be purchased at a 15 percent discounted rate from the current marked appraised value. Appraisals must be completed by an appraiser from the NSP Preferred Appraiser List and must be completed within 60 days of the offer.

Environmental Review

All potential NSP properties will be subject to Environmental Review by the City of North Las Vegas prior to acquisition or rehabilitation. All properties developed with HUD assistance must have a completed environmental review to ensure that the proposed project does not negatively impact the surrounding environment and that the property site itself is safe for development. All subrecipients will be required to submit the project site address, parcel identification number and the year the unit was built to the City of North Las Vegas Office of Housing and Neighborhood Services. Each project must meet the applicable environmental review/assessment per 24 CFR 92.352. If the project passes the Environmental Review, the City of North Las Vegas will issue a Notice to Proceed to the subrecipient/for-profit contractor submitting the project.

CHOICE LIMITING ACTIONS PROHIBITED DURING NATIONAL ENVIRONMENTAL POLICY ACT REVIEW

Proposing organizations must refrain from undertaking activities that would have an adverse environmental impact or would otherwise limit the choice of reasonable alternatives between the time of proposal submittal and the completion of the environmental review process.

Lead-Based Paint

NSP is subject to the Lead-Based Paint Regulations found at 24 CFR 35 and 24 CFR Section 570.608. The use of lead-based paint is prohibited whenever NSP funds are used directly or indirectly for the construction, rehabilitation or modernization of residential structures. For each residential property constructed before 1978, a lead-based paint inspection and risk assessment for lead based paint hazards must be conducted. If lead based paint is found, abatement of lead based paint hazards shall be completed in accordance with 24 CFR 35.1325. All purchasers and tenants of NSP residential properties constructed prior to 1978 must be notified of the hazards of lead based paint poisoning.




Long-Term Affordability

NSP assisted units must meet the affordability requirements for not less than the applicable period specified below. The affordability term begins immediately following project completion. Affordability terms will be secured through deeds of trust and promissory notes.

AFFORDABILITY TERM	
Less than \$15,000	5 years
\$15,000 -- \$40,000	10 years
More than \$40,000	15 years

Eligible Costs

NSP funds can be used for a variety of project-related hard costs and soft costs. The following list defines types of **hard costs** that are eligible for NSP funding through the City of North Las Vegas:

-  **Acquisition of existing property** – Acquisition of existing property, including property in need of rehabilitation is eligible, at the discounted rate. All properties acquired must be vacant for the preceding 90 days to ensure that no relocation is necessary.
-  **Rehabilitation** – Rehabilitation includes the alteration, improvement or modification of an existing structure. Rehabilitation may include improvements to increase the energy efficiency of homes and residential properties and/or provision of new energy sources for such homes and properties.
-  **Acquisition/Serviceing Fees** – NSP funds can be used to cover certain acquisition/serviceing fees including soft costs, such as property appraisals, legal and accounting fees, and other costs associated with a project as long as they are reasonable, necessary to the project and consistent with industry norms. These costs must be directly related to and identified with a specific housing unit or residential property and must be identified in the submitted budget.

Reporting Requirements

Each funded applicant will be expected to collect and report information about the uses of funds at least monthly, including, but not limited to:

- Activity
- All funding sources
- Purchase amount for each property
- Discount amount
- Number of properties and housing units
- Location
- Funds budgeted and expended
- Beginning and ending dates of activities
- Appraisal amount for each property
- Sales amount for each property
- Number of low- and moderate-income persons/households benefiting from program

If the City of North Las Vegas determines that the subrecipient is unable to successfully obligate and complete the NSP funded projects prior to the required month deadline, funds may be recaptured and reallocated at its discretion.

Disbursement of Funds

For acquisition and rehabilitation, funds will be disbursed only for costs actually incurred. Payment for construction costs will be made on a progress payment basis, subject to approval of each draw request by the City. The City will retain ten percent (10%) of the budgeted construction amount as performance retention to be released upon recordation of a Notice of Completion, release of all liens, and satisfactory compliance with any other City programs. The

developer fee will be paid upon receipt of the City of the full construction cost certification of the completed development budget.

Anti-Displacement Strategy (Relocation)

All NSP funded projects are subject to the Uniform Relocation Assistance Act, therefore, the City of North Las Vegas will not accept the purchase of any occupied homes or residential properties or of any homes or residential properties which have been occupied during the preceding 90 days.

OTHER CITY/COUNTY/FEDERAL REQUIREMENTS

When funding is awarded to an organization, the City must enter into a written contractual agreement before receipt of funding and before activities can begin. The agreement will define the purpose, scope of work to be undertaken, the budget, timetable, outcomes to be accomplished and reporting requirements.

Other city/federal requirements in the agreement include:

- Fire and Safety Standards
- Davis Bacon Act (for projects consisting of 8 or more units)
- Maintenance of records/audit requirements
- Procurement standards for subcontracted work to third parties
- Property management and inventory control
- Conflict of interest (prohibiting members, officers, employees from personal gains)
- Affirmative Marketing Plan and Procedures
- Fair Housing
- Offering employment opportunities to low income residents
- Equal employment opportunity policies
- Minority and female business enterprise participation goals for subcontractors
- Drug-free workplace
- Prohibition of debarred contractors
- Nondiscrimination under Title VI of the Civil Rights Act of 1964
- Reversion of assets at contract end
- Performance specifications
- Local program rehabilitation requirements

All funding subrecipients must abide by the City policy to prohibit discrimination against any employee or applicant for employment based on race, sex, religion, national origin, age, sexual orientation or disability.

All funding recipient must have adequate insurance:

- Comprehensive fire and hazard insurance covering the full replacement cost of the project
- Comprehensive General Liability insurance of \$2 million or more
- Worker's compensation and employers' liability insurance in accordance with Nevada Law
- Public liability insurance of \$100,000 or more per person/\$300,000 or more per occurrence
- Property liability insurance of \$100,000 or more

All policies must hold the City harmless and have an endorsement specifically naming the City as an additional insured.

Applicants who cannot or will not meet the above requirements should not apply for funding.

Submission Requirements

Each proposal submitted should consist of the following items:

- Cover Letter – Please submit a cover letter signed by the chairperson or president of the Board of Directors stating that the Board has authorized the submission of the application.
- Application Form – Complete the application form included with this package. Please send all questions directed to City of North Las Vegas to:
damianr@cityofnorthlasvegas.com
Please identify NSP RENTAL PROPERTY NOFA QUESTION in the subject line.
- Attachments – Please submit all applicable attachments in accordance with the application questions.

Submission Instructions

Please submit one (1) original and four (4) copies of the proposal, bound separately by binder clips, with one electronic copy, preferably in Microsoft Word or as a PDF document. The agency's information should be organized, with a table of contents, based on the order of the application, serving as the first page. Please retain a copy of the information submitted for your records. Responses must be received by 2PM on June 23, 2009. Responses received after this time/date will not be accepted regardless of postmark.

Proposals for the City of North Las Vegas should be addressed to:

Rick Damian
City of North Las Vegas
Office of Housing and Neighborhood Services
2240 Civic Center Drive
North Las Vegas, NV 89030

**CITY OF NORTH LAS VEGAS
NOFA APPLICATION PROCESS
ACQUISITION/REHABILITATION/RENTAL
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**

SECTION 1 – APPLICATION FORM

Name of Proposing Organization	
Address of Proposing Organization	
Official Contact Person (Include name, phone number, e-mail)	
Program Contact Person's name and contact information (if different from above)	
Anticipated project site(s) within areas of greatest need	
Briefly describe the project for which you are seeking funds. Include number of purchased rental units.	
Number of years organization has been in operation	
Tax ID number (non-profit organizations only)	
Duns number	

Certification: I certify that to the best of my knowledge and belief all data supplied in this application and all attachments are true and correct. I further understand material omission or false information contained in this proposal constitutes grounds for disqualification. This document has been duly authorized by the governing body of this organization. This organization further understands and agrees that any funding received as a result of this proposal shall be subject to conditions, policies, regulations and rules issued by the City of North Las Vegas which include provisions described in the Notice of Funding Availability.

Name and Title of Proposing Organization

Signature of Executive Director/President/Chief Executive Officer

Date of Application

Please provide written responses to the following questions. Indicate the section and question number for each response.

SECTION 2 – ORGANIZATION INFORMATION AND CAPACITY

- 1) What specific types of services/activities/projects does your organization provide?
- 2) Describe your organization's history and direct experience in developing or managing the development of affordable housing (i.e. rehabilitation, new construction) in the Las Vegas Valley and/or other locations. Provide number of years in operation and accomplishments to date.
- 3) Identify your experience in working with the CDBG or HOME program.
- 4) Please describe your success in administering CDBG and/or HOME programs and your organization's success in the CDBG/HOME monitoring process.
- 5) Describe staff positions and provide resumes of those key individuals who will work with the NSP program. If you plan to have a development team included in your project, please list the individuals names and describe the role, experience and capacity of each (including contractors, construction managers, real estate brokers, housing counselors, et cetera). Describe your ability to provide project management and oversight, including detailed record keeping and reporting.
- 6) Describe any existing commitments that would impact your ability to implement the project immediately.
- 7) Have any persons employed by your organization ever been debarred by HUD or otherwise restricted from entering into contracts with any federal agency?
- 8) Provide any other information that would clarify your organization's ability to successfully participate in the NSP program.

SECTION 3 – PROJECT INFORMATION

- 1) Describe your organization's acquisition strategy including how you will ensure the required 15 percent discount.
- 2) Describe the methods you will utilize to ensure cost effectiveness.
- 3) Explain your organization's familiarity with rehabilitation, Green Building and/or energy efficiency.
- 4) Describe how properties will be maintained and secured after purchase and before and after rental.
- 5) Describe your marketing plan and outreach methods that will be used to reach qualified tenants.
- 6) Provide a projection of how many units will be completed within the initial 4-month implementation period. How many total units will be completed over 12 months including the units completed in the initial 4-month period?
- 7) Describe the methods you will utilize to ensure cost effectiveness.
- 8) Are there any issues that may affect the ability of your staff to complete the proposed number of units within the proposed time frame?

SECTION 4 – REQUIRED ATTACHMENTS

The following items are required to be attached by all applicants:

- Project Budget (identify all funding sources and uses. Identify specific items to be paid through NSP funds, if approved)
- Organizational operating budget for current fiscal year
- Resumes of key project staff
- Organizational structure
- Organizational insurance
- Financial statements for the past two years
- Documentation of availability of leveraged funds

Non-profit organizations must also attach the following documentation:

- IRS 501(c)3 determination **or**
- IRS 501(c)4 determination **or**
- Section 905 determination
- Articles of incorporation
- Corporate by-laws
- List of board members
- Most recent IRS Form 990
- Most recent audit (no older than 2007)
- Certificate of Registration with the City

For profit organizations must also attach the following documentation:

- Articles of incorporation or partnership agreements
- Corporate by-laws (for corporations)
- List of board members
- Most recent audit or audited financial statements (no older than 2007)
- Business license for the City of North Las Vegas

SECTION 5 – RANKING CRITERIA

Category	Points
Experience and qualifications of organization and key personnel	30 pts
Proposed development methods and strategy	20 pts
Past performance with affordable housing	30 pts
Financial capacity	20 pts
Total possible score	100 pts

The City of North Las Vegas reserves the right to negotiate with applicants, to issue addendums to this NOFA and reject any and all submissions at its sole discretion. The City has no obligation to enter into an agreement with any party as a result of its response to this NOFA.