

<b>Guide for Review of NSP-1 National Objective of Benefit to Low-, Moderate-, and Middle-Income Persons</b>				
<b>Name of Program Participant:</b>				
<b>Staff Consulted:</b>				
<b>Activity Name, Number and Brief Description:</b>				
<b>Name(s) of Reviewer(s):</b>		<b>Date</b>		<input type="checkbox"/> <b>Limited Review</b> <input type="checkbox"/> <b>In-depth Review</b>

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

**Instructions:** Use this Exhibit for a review of compliance with the Neighborhood Stabilization Program (NSP) National Objective of Benefit to Low-, Moderate-, and Middle-Income Persons. One Exhibit is to be completed for each Program Participant. This Exhibit is to be used in conjunction with the following Exhibits which are located in Chapter 3 of this Handbook:

- CDBG Entitlement Program
  - Exhibit 3-2: Guide for Review of National Objective of Low- and Moderate-Income Area Benefit
  - Exhibit 3-3: Guide for Review of National Objective of Low- and Moderate-Income Limited Clientele
  - Exhibit 3-4: Guide for Review of National Objective of Low- and Moderate-Income Housing
- State CDBG Program
  - Exhibit 4-1: Guide for Review of Eligibility and National Objective

It is important to note that the definition of “low- and moderate-income” under the regular CDBG program has been redefined and superseded by NSP to include those with incomes up to 120% of area median income. As defined by the *Notice of Allocations, Application Procedures, Regulatory Waivers Granted to, and Alternative Requirements for, Emergency Assistance for Redevelopment of Abandoned and Foreclosed Homes Grantees Under the Housing and Economic Recovery Act, 2008; Revisions to Neighborhood Stabilization Program (NSP) and Technical Corrections* [74 Fed. Reg. 29227].

“To prevent confusion, HUD will refer to this new income group as “middle income,” and keep the regular CDBG definitions of “low income” and “moderate income” in use. Further, HUD will characterize aggregated households whose incomes do not exceed 120 percent of median income as “low-, moderate-, and middle-income households,” abbreviated as LMMH. For the purpose of NSP only, an activity may meet the HERA low-, and moderate-national objective if the assisted activity:

Exhibit 8-11  
NSP-1 Program

- Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated LMMH).
- Serves an area in which at least 51 percent of the residents have income at or below 120 percent of area median income (LMMA); or
- Serves a limited clientele whose incomes are at or below 120 percent of area median income (LMMC).”

Therefore, the NSP definition of income encompasses low-, moderate-, and middle-income. Nevertheless, the requirement for meeting this National Objective is the same for NSP as it is for the regular CDBG program. After completing this Exhibit, complete the appropriate CDBG Exhibit in Chapters 3 or 4, keeping in mind the applicable income definition.

**Questions:**

1.

Applying the NSP income requirements at 73 Fed. Reg. 58335, E. as amended at 74 Fed. Reg. 29227, complete the applicable Exhibit(s) referenced in the instructions above as a basis for answering this question:			
a. Is the program participant carrying out any activities that benefit Low-, Moderate-, and Middle-Income Households (LMMH)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
b. Is the program participant carrying out any activities that benefit Low-, Moderate-, and Middle-Income Area (LMMA)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
c. Is the program participant carrying out any activities that benefit Low-, Moderate-, and Middle-Income Clientele (LMMC)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>			

2.

a. Did the original “NSP Action Plan substantial amendment include... an activity that addressed the HERA low- and moderate-income national objective requirement on the basis of job creation or retention”? [73 Fed. Reg. 58335, E. as amended at 74 Fed. Reg. 29227]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>			
b. If the answer to “a” above is “yes,” were the funds obligated before publication of the June 19, 2009, Notice? [73 Fed. Reg. 58335, E. as amended at 74 Fed. Reg. 29227]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
<b>Describe Basis for Conclusion:</b>			

<p>c. If the answer to “b” above is “yes,” is there evidence that the activity is “designed to create or retain permanent jobs and at least 51 percent of the jobs will be held by or made available to persons whose incomes are at or below 120 percent median income”?</p> <p>(NOTE: The ability to carry out LMMJ-based activities was cancelled by the June 19, 2009, Notice. For program participants that had such activities in their initial NSP Substantial Amendment, it is important to note that the “activity may be completed provided” the funds were obligated prior to the publication of the June 19, 2009, Notice and the activity meets the requirement of low-, moderate-, middle-income jobs, as described in the original NSP notice dated 10/06/08.)</p> <p>[73 Fed. Reg. 58335, E. as amended at 74 Fed. Reg. 29227]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

**Describe Basis for Conclusion:**

<p>d. If the answer to “a” above is “no,” has the program participant “submit[ted] an amendment that includes one or more new activities (cannot be LMMJ-based) that comply with the NSP income eligibility requirements”?</p> <p>[73 Fed. Reg. 58335, E. as amended at 74 Fed. Reg. 29227]</p>	<table border="0"> <tr> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> <tr> <td>Yes</td> <td>No</td> <td>N/A</td> </tr> </table>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Yes	No	N/A					

**Describe Basis for Conclusion:**

3.

After completion of this Exhibit, complete the appropriate CDBG National Objective Exhibit in either Chapter 3 or 4. If the responses to any of the questions in this Exhibit indicate a need to seek technical assistance or advice from another HUD staff person, please describe below.

**Describe Basis for Conclusion:**