Neighborhood Preservation Program (NPP) Guidelines

PROGRAM OVERVIEW

DCA’s neighborhood programs are designed to acknowledge the crucial role neighborhoods play as the center of community for New Jersey’s citizens, and the opportunity they offer to serve as a springboard to build a stronger, more equitable New Jersey. DCA’s programs target neighborhoods at a variety of income levels, with a significant emphasis on distressed neighborhoods where DCA’s resources can leverage momentum already existing in the neighborhood to make a true and lasting impact. The neighborhood programs focus on three common strategies to frame efforts toward revitalization:

- Creating sustainable partnerships to catalyze change
- Building on neighborhood assets to revitalize communities
- Maximizing impact

The Neighborhood Preservation Program (NPP) plays a key role in implementing New Jersey’s neighborhood revitalization efforts by strengthening the ability of municipalities to plan and implement strategies to help declining neighborhoods become thriving neighborhoods; building partnerships between state and local governments, private businesses, and residents; and encouraging private investment to drive increased economic opportunities and quality of life in the state’s vulnerable communities. The goals of the new program are to:

- Serve as a catalyst for economic development
- Serve as a platform for the coordination of efforts by the State, municipalities, residents, businesses and other stakeholders to help declining neighborhoods become thriving ones

The program will focus on threatened but viable neighborhoods – those neighborhoods that will be able to use the program’s assistance to arrest decline and leverage their existing assets to spur economic development. The program will also concentrate on neighborhoods with the potential for mixed use development, to encourage small business job creation and invite greater business and community investment in economic development.

NPP also provides the opportunity to serve as a platform for a variety of state investments in neighborhoods. By working with other state agencies and stakeholders, DCA can lead the coordination of these investments toward a common goal of building strong and vibrant neighborhoods. To maximize the impact of the NPP investment, as well as other investments, municipalities will be required to show commitment of resources to the neighborhood and the municipality, as well as support from community organizations and residents. NPP encourages applications from municipalities that are participating in other DCA, State or federal programs, including designation as a Neighborhood Revitalization Tax Credit (NRTC) neighborhood, an Opportunity Zone, a Main Street NJ district, a Transit Village, or other relevant distinctions.

As envisioned in the Maintenance of Viable Neighborhoods Act, funds can be used for a wide array of activities including:
• Intensive code enforcement in deteriorating areas
• Financial assistance for rehabilitation of privately owned properties
• Rehabilitation or clearance, demolition and removal of buildings and improvements
• Provision of appropriate public services in the neighborhood
• Acquisition of blighted properties for rehabilitation
• Sale, lease, or donation of rehabilitated blighted properties
• Planning of neighborhood programs
• Administration of NPP activities

**Funding**

Eligible municipalities may apply for NPP funding by submitting an application to the Notice of Funding Availability (NOFA) in the DCA SAGE system. Successful applicants will receive an initial award of $125,000 to be expended over an 18-month grant period, including six months for development of a Neighborhood Preservation Plan and 12 months for program implementation. Applicants must commit to a 20% match from non-State sources in its application. Grantees may receive subsequent NPP funding of $100,000 (for up to four subsequent years), as determined annually by DCA based on performance.

**Eligible Applicants**

Eligible applicants must be New Jersey political subdivisions (municipalities). Eligible municipalities must be between the 64th and 98th percentiles on the Municipal Revitalization Index (MRI) and have neighborhoods that meet the eligible neighborhood criteria (the list is available on DCA’s website).

**Eligible Municipality Criteria**

NPP was created to specifically address identified needs in municipalities with neighborhoods that are distressed and that have the capacity to use NPP funds to improve economic development and quality of life within a five-year period, as defined below:

1) Municipalities must rank between the 64th and 98th percentiles on the Municipal Revitalization Index.

2) Municipalities must have at least one neighborhood (census tract) meeting the following criteria:
   a. On a negative trajectory since 2010 through 2016 on an index of housing vacancies, home values, jobs, and poverty
   b. Below the state median income level
   c. Home values at least 60% of the county median
   d. Job to population ratio above the state median

3) Municipalities must have sufficient mixed-use blocks (defined as any block with at least one residential lot and one commercial block) as measured by:
a. Municipality has more mixed use blocks than the State median number (33) or;
b. Municipality has at least two times the State median for mixed use blocks as a percentage of all blocks (35.4%)

4) Municipalities must have at least one “walkable” neighborhood as measured by:
   a. Median block size of no more than 25% greater than the State median;
   b. The percentage of employed people walking to work is more than two times the State median;
   c. The jobs to population ratio is more than two times the State median or the ratio of jobs to square mile is more than 150% of the State median;
   d. The population density is no less than 25% of the State median.

**Eligible Neighborhood Criteria**

Eligible Municipalities must propose a neighborhood that meets the following criteria:

1) Municipalities may only apply for neighborhoods that contain at least one census tract on DCA’s NPP Eligible Neighborhoods list, which is available on the DCA website. This list includes census tracts meeting the following criteria:
   a. Has been on a negative trajectory since 2010 through the latest American Community Survey (ACS) estimate year available (currently 2013-17) on an index of housing vacancies, home values, jobs, and poverty
   b. Is below the state median household income level for the latest ACS estimate year available (currently 2013-17)
   c. Home values are at least 60% of the county median for the latest ACS estimates available (currently 2013-17)
   d. Job to population ratio above the state median for the latest Longitudinal Employer Household Dynamics (LEHD) year available (currently 2015)

2) Presence of Mixed-Use Development: The neighborhood proposed in the application currently contains mixed-use commercial/residential development and has the potential for further development. Applicants must provide the address and photo of at least two mixed-use properties within the neighborhood. A mixed-use property must include a commercial or retail use on the first floor and a residential use on at least one upper floor.

3) Neighborhood Size: The neighborhood must have distinctive boundaries, and be of manageable size, so that positive effects may be observed within a five-year period. The land area of the neighborhood must be no less than ¼ square mile and no greater than 2 square miles.
Application Process
Each municipality can receive an award for only one neighborhood. Municipalities can apply for multiple neighborhoods, but only one neighborhood will be funded per funding cycle. Municipalities must submit all required materials by the application deadline to be considered. If funded, the initial grant period will be 18 months. If local NPP plan goals have been substantially achieved and the grantee is in compliance with all program, statutory and regulatory requirements, DCA may make NPP funds available for up to four subsequent years. Grantees will be notified of continued funding on a year to year basis.

Application Scoring Criteria
Applications will be scored based on the following criteria, on a scale of 100 points:

- Existing State Support or Investment (35 points): Existing state support or investment to be leveraged by the NPP funds in the proposed neighborhood, demonstrated by a designation or active participation in any of the following:
  - NRTC neighborhood
  - Opportunity Zone
  - Main Street NJ district
  - Improvement District
  - Urban Enterprise Zone
  - Downtown Business Improvement Zone
  - Transit Village
  - Recipient of Local Planning Services assistance
  - Area in Need of Redevelopment
  - Commitment of support through the county’s or municipality’s CDBG program
  - Other official municipal designation (must describe)

- Existing Local Capacity to Support Neighborhood Reinvestment (25 points)
  - Status as a Main Street NJ district or improvement district (10 points)
  - Whether the municipality has secured any state or federal grant or philanthropic support for community or economic development in the last 3 years, as well as grant performance (15 points)

- Municipal Commitment (20 points)
  - Evidence of financial or staff resource commitment to the neighborhood

- Support and Involvement of Local Stakeholders (10 points)
  - Commitment by local businesses, lending institutions, community organizations, residents, municipal officials, and/or other stakeholders to participate in the NPP planning process
• Assessment of Proposed Neighborhood (10 points)
  o Description of proposed neighborhoods, assessed needs, and how NPP funds will address those needs

**Application Requirements**
Applicants will be required to provide the following information in SAGE:

**Applicant Contact Information**
- Applicant Name
- Name, address, email and phone for the primary contact for the application

**Neighborhood Information**
- Narrative assessment of neighborhood needs and how NPP funding will assist in addressing those needs
- List of 2010 census tract(s) or block group(s) that best correspond to the neighborhood boundaries
- Neighborhood land area in square miles
- A map or maps with boundaries for the targeted neighborhood
  o The neighborhood boundaries must include whole parcels; boundaries that cut across parcels are not permitted
  o The map must include parks, community gardens, theaters, places of worship, schools, hospitals, community centers, and other relevant community assets
  o The map must include zoning, districts, classification, community facilities, street names, problem properties, public open space, and census tract boundaries
- Photographs of the targeted area
  o Address and photo of at least two mixed-use properties within the neighborhood
  o Photos of neighborhood assets
  o Evidence of municipal investment in the neighborhood, such as photos of recent improvements enabled by municipal investment

**Existing State Support**
- Documentation substantiating that the identified neighborhood has at least one of the following designations:
  - NRTC neighborhood
  - Opportunity Zone
  - Main Street NJ district
  - Improvement District
  - Urban Enterprise Zone
State of New Jersey: Neighborhood Preservation Program Guidelines

- Downtown Business Improvement Zone
- Transit Village
- Recipient of DCA’s Local Planning Services assistance
- Area in Need of Redevelopment
- Area in Need of Rehabilitation
- Commitment of support through the county’s or municipality’s CDBG program
- Other official municipal designation (please describe)

Local Capacity

- Description of any state or federal grant the municipality’s economic development office has secured for community or economic development in the last 3 years, including:
  - The amount of the grant(s)
  - The purpose of each grant
  - Outcomes involving physical, tangible community assets (such as a new park, community garden, infrastructure, community center, etc.) achieved with the grant funds
  - Whether the municipality is in full compliance with all grant requirements

Local Business and Stakeholder Support

- List of local businesses, lending institutions, community organizations, residents, municipal officials, and/or other stakeholders who have agreed to serve on the NPP Planning Committee

Municipal Commitment to Neighborhood

- Documentation of financial or staff resource commitment to the neighborhood, including documentation of:
  - Commitment of municipal funds for a physical project (such as a new park, community garden, infrastructure, community center, etc.) in the neighborhood within the last three years
  - Commitment of state, federal, or non-profit grant funds by the municipality for a physical project in the neighborhood within the last three years
  - Designation of any municipal employee within the last three years to do any of the following:
    - Develop or contribute to a neighborhood or redevelopment plan
    - Update or assist with updating a neighborhood or redevelopment plan
    - Implement or assist with implementing a neighborhood or redevelopment plan
- Collect and/or analyze neighborhood data to advance a community or economic development project
- Coordinate local government offices and agencies to support a neighborhood community or economic development project

**Funding Information**
- Description of minimum of 20% match including the source of funds.
- All sources and amounts of funding committed to the project, over and above the documented minimum 20% match

**Staffing Information**
- Organizational chart showing NPP coordinator, position and name of municipal official supervising NPP coordinator, and chain of command between the NPP coordinator and the mayor
PROGRAM IMPLEMENTATION

PHASE I - Planning
The Planning Phase occurs during the first six months of the grant period and involves all activities leading up to the grantee’s submission of the initial NPP Plan to DCA. The NPP Plan represents a comprehensive strategy for neighborhood revitalization, based on data used to identify neighborhood physical, social and economic needs and stakeholder input and feedback, and will cover up to five years of NPP implementation. DCA staff will provide grantee training on needs assessment and development of the NPP Plan.

The Planning Process
The NPP Plan must be developed by a Neighborhood Planning Committee composed of residents, municipal representatives, lending institution representatives, local chamber of commerce representatives, local non-profit organizations, local businesses and other stakeholders. The committee will be responsible for providing the resources, input and expertise needed to develop an effective NPP Plan.

The planning committee will use demographic and economic data, along with resident and other stakeholder feedback, to analyze neighborhood needs and design a plan that includes neighborhood revitalization strategies and identifies resources to implement those strategies. The needs assessment may include issues of housing affordability and economic development, as well as encompassing broader issues of neighborhood health, education, recreation or transportation. The planning process must include an assessment of neighborhood conditions, analysis of surveys completed by residents and stakeholders, and the development of measurable goals, outcomes and activities designed to address needs identified through the assessment process.

To ensure the timely development of a comprehensive NPP Plan, as well as implementation of the Plan once developed, the municipality will designate or hire, within the first six weeks of the program, one person as the NPP Program Coordinator, with the advice and consent of the Division of Housing and Community Resources. The coordinator will be responsible for recruiting and chairing the Neighborhood Planning Committee, overseeing development of the NPP Plan, administering the program, and ensuring that all contract activities are carried out on schedule. Up to $20,000 of the annual NPP award may be used to support the salary of the local coordinator.

The municipality must submit the NPP Plan to DCA for approval within the first six months of the initial grant period. Once approved, the grantee must adopt the NPP Plan by resolution and submit the resolution to DCA for approval of funding.
PHASE II – IMPLEMENTATION

The NPP Plan serves as the blueprint for annual goals and activities that address local needs. After approval of the NPP Plan by DCA and adoption by the municipality, NPP funds may be used to implement activities that will lead to the asset revitalization and rehabilitation of the neighborhood. These activities may include public improvements, commercial property improvements, rental and owner-occupied housing rehabilitation, property acquisition and disposition.

Grants to individual property owners for building improvements are eligible, provided that funds and activities conform to program standards. Grantees will be required to develop a policies and procedures manual to describe the terms and method of grant distribution.

Quarterly progress reports must be submitted to DCA throughout each year of NPP plan implementation. These reports will outline the specific activities of the NPP coordinator, the progress of plan activities according to the proposed schedule, as well as progress toward project and performance goals contained in the NPP Plan. DCA staff will provide technical assistance throughout the grant period, and will conduct program assessments on an annual basis, to determine if subsequent yearly funding is warranted and if the NPP Plan requires revision based on changes in neighborhood conditions or needs.

**Eligible Activities**

NPP funds can be used for a wide range of activities including:

- Intensive code enforcement in deteriorating areas
- Financial assistance for rehabilitation of privately owned properties
- Rehabilitation or clearance, demolition and removal of buildings and improvements
- Provision of appropriate public services in the neighborhood
- Acquisition of blighted properties for rehabilitation
- Sale, lease, or donation of rehabilitated blighted properties
- Administration of NPP activities

While the NPP Plan serves as the overall blueprint and provides guidance for NPP activities, the grantee must develop a Policies and Procedures manual describing the eligible activities to be undertaken in accordance with their NPP Plan. The grantee must create a manual that reflects the needs of the NPP neighborhood and reflects the income levels, building conditions, property values, and ownership patterns in the neighborhood. The Manual must be submitted to DCA for approval.
GRANT CLOSEOUT PROCESS
At the conclusion of the five-year NPP Plan period (or the last year in which DCA approves annual NPP funding, if sooner), the municipality must submit a final report documenting that all administrative responsibilities and all required activities of the NPP Plan have been satisfactorily completed. Final reporting requirements must include, but are not limited to:

1. A modified version of the neighborhood assessment conducted at the start of the planning process, including relevant neighborhood data and responses to community opinion surveys (re-administered to at least 25% of those households surveyed at the program’s inception)
2. A report on the program’s achievements in fulfilling the goals and activities included in the NPP Plan

Grants can be terminated when:
1. The grant term expires and the grant money has been spent;
2. The Grantee has failed to carry out the terms of the contract, in DCA’s determination;
3. DCA determined that all objectives have been reached.

SUCCEEDING THE INITIAL NPP PLAN
NPP grantees may apply for a second five-year funding cycle in the last year of funding if they demonstrate substantial fulfillment of goals and activities in the original approved NPP Plan, and if, at the time of application, at least 35% of the Year 5 grant has been expended. Grantees meeting these criteria may respond to DCA’s application for continued funding and must include an updated NPP Plan for review and approval as part of the application, as well as a report on the grantee’s performance in implementing the initial NPP Plan and its impact on the NPP neighborhood.