

COUNTY OF VOLUSIA, FL
COMMUNITY ASSISTANCE
NEIGHBORHOOD STABILIZATION PROGRAM
SUBSTANTIAL AMENDMENT
 (HUD approved 1/15/2009)
 (Amended 4/1/2010)

Jurisdiction(s): <u>County of Volusia, FL</u> <i>(identify lead entity in case of joint agreements)</i> Jurisdiction Web Address: www.volusia.org/nsp <i>(URL where NSP Substantial Amendment materials are posted)</i>	NSP Contact Person: Diana Phillips Address: County of Volusia, FL Community Assistance 110 W. Rich Avenue DeLand, FL 32720 Telephone: (386) 736-5955 Fax: (386) 943-7011 Email: dphillips@co.volusia.fl.us
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A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction.

Note: An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction’s consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State’s own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions’ consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity’s own plan.

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data [LINK – to HUD USER data], in developing this section of the Substantial Amendment.

Response:

In Volusia County, the target areas for the Neighborhood Stabilization Program were developed pursuant to the Housing and Economic Recovery Act of 2008 as outlined below:

- Greatest percentage of home foreclosures
- Highest percentage of homes financed by a subprime mortgage related loan; and
- Areas identified as the most likely to face a significant rise in the rate of home foreclosures. Based on the NSP established criteria, Community Assistance will target selected census tracts within the Cities of DeBary, Deland, Edgewater, Holly Hill, Lake Helen, New Smyrna Beach, Ormond Beach, South Daytona and

Orange City, including unincorporated Volusia County areas that are adjacent to these cities.

Community Assistance utilized the HUD NSP data from HUD User Website – www.huduser.org/pbulications/commdevl/nsp.html and the [HUD NSP2](#) mapping data for this analysis.

PERCENTAGE OF FORECLOSURES

Community Assistance analyzed the HUD NSP data, for the Volusia Urban County (excluding the cities of Daytona Beach, Deltona and Port Orange) based on the predicted 18-month underlying problem for foreclosure rate. The data showed that the County's foreclosure prediction rates ranged from a low of 4% to a high of 12.7%. Community Assistance established a foreclosure rate of 8.5% or higher in determining which areas to prioritize. Selected census block groups within the cities of DeBary, DeLand, Edgewater, Holly Hill, Lake Helen, Orange City and Ormond Beach, along with unincorporated areas of Volusia County bordering these cities, were identified in this process.

Subsequent to the approval of the NSP Substantial Amendment, Volusia County also analyzed the HUD NSP 2 mapping data for the Volusia Urban County to determine areas with a high predicated foreclosure score for possible expansion. The data showed that the County's census tracts received foreclosure scores ranging from 13-20, on a scale from 1-20. Community Assistance established a total foreclosure score (foreclosure and vacancy) of 19 or 20 in determining areas to prioritize for expansion. Selected census tracts within the cities of Deland, Edgewater, Holly Hill, New Smyrna Beach and Ormond Beach were identified in this process for possible expansion. Other census tracts located within the Volusia County NSP jurisdiction ranked a 19 or 20 for foreclosure risk, but were not considered for the NSP program due to one of the following factors: 1) Census tract located on the beachside with high costs for property insurance and taxes, and not appropriate for sale to target population (first-time homebuyers); 2) census tract primarily populated with housing units whose price exceeds the program target affordable price range; and 3) census tract in a predominantly rural area with housing scattered and little ability to make an impact to stabilize neighborhoods. Volusia County will continue to pursue the acquisition and rehabilitation of foreclosed and abandoned properties in the previously identified initial target areas to continue to our efforts to stabilize these communities.

Subprime (High-Cost) Loans

Community Assistance utilized Home Mortgage Disclosure Act (HMDA) data provided by the U.S. Department of Housing and Urban Development (HUD) to determine areas that contained the highest percentage of homes financed by a subprime mortgage loan. Community Assistance analyzed the data and established a minimum high cost loan rate of 34% or higher in determining which areas to prioritize. Selected census block groups within the cities of DeBary, DeLand, Edgewater, Holly Hill, Lake Helen, Orange City and Ormond Beach, along with unincorporated areas of Volusia County bordering these cities, were identified in this process.

AREAS AT RISK

Using HUD's Foreclosure and Abandonment Risk Scoring System and the NSP 2 mapping data tool, Community Assistance identified the areas of greatest need that will likely face a significant rise in the rate of home foreclosures. This information is

presented in the table and on the maps on the following pages. Community Assistance analyzed the initial HUD data and established an estimated abandonment foreclosure risk score of 10 or 9 in determining which areas to prioritize. Selected census block groups within the cities of DeBary, DeLand, Edgewater, Holly Hill, Lake Helen, Oak Hill, Orange City, Ormond Beach, and South Daytona, along with unincorporated areas of Volusia County bordering these cities were identified in this process.

Volusia County also analyzed the HUD NSP 2 mapping data for the Volusia Urban County to determine areas with a high predicated foreclosure score for possible expansion. The data showed that the County's census tracts received foreclosure scores ranging from 13-20, on a scale from 1-20. Community Assistance established a total foreclosure score (foreclosure and vacancy) of 19 or 20 in determining areas to prioritize for expansion. Selected census tracks within the cities of DeLand, Edgewater, Holly Hill, New Smyrna Beach and Ormond Beach, along with unincorporated areas of Volusia County bordering these cities were identified for consideration for expansion in this process.

IDENTIFIED PROGRAM TARGET AREAS

On April 1, 2010, Volusia County amended its NSP Substantial Amendment to expand the NSP program target areas. The NSP target areas are the census tracts in the cities of Debary, DeLand, Edgewater, Holly Hill, Lake Helen, New Smyrna Beach, Orange City, Ormond Beach and South Daytona, and in bordering unincorporated areas as further described in Table A and the maps on pages 28-37 .Volusia County will continue to pursue the acquisition and rehabilitation of foreclosed and abandoned properties in the previously identified initial target areas to continue to our efforts to stabilize these communities.

TABLE A

City/Adjacent unincorporated area	Census Tracts
DeBary	908 Blk 2,3; 901.07 Blk 6
DeLand	903.01; 903.02; 905; 906; 907.01; 907.02; 908.01
Edgewater	830.01; 830.04; 830.05
Holly Hill	808.05; 808.03; 809; 810; 817
Lake Helen	910.01
New Smyrna Beach	828; 829.01
Orange City	908.01; 908.02
Ormond Beach	808.01; 808.03; 808.05; 807
South Daytona	824.01

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. **Note:** The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

Based upon the Community Assistance analysis, the selected areas within the cities of Deland, Edgewater, Holly Hill and Orange City and adjacent unincorporated areas meet all three (3) stipulated need categories. The NSP funds will be used as described in Section G, in the areas referenced above during the first six months after the grant award. Six months after the NSP award, Community Assistance will consider use of available NSP funds to expand to other identified areas if warranted by analysis. By amendment dated April 1, 2010, Volusia County determined that the target areas in the primary and secondary census tract/block groups needed continued efforts to stabilize these communities and additional census tracts needed to be added to meet the areas of greatest need.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

Blighted structure : A structure shall be defined as blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. Additionally, “blighted” shall also be defined as buildings that are unsafe and dilapidated and meet conditions included in the Code of Ordinances adopted by the County of Volusia, from the Florida Statute Title XXXIII, Chapter 553, Building Construction Standards:

CODE OF ORDINANCES County of Volusia, Florida. Chapter 58 Health and Sanitation/Article III Unsafe or Dilapidated Buildings

(a) A building is unsafe or dilapidated when any of the following conditions exist:

- (1) There is an unusual sagging or leaning out of plumb of the building or any parts of the building and such effect is caused by deterioration or over-stressing to such an extent that there is a reasonable likelihood that the walls or other structural members may fall or give way.
- (2) The building has improperly distributed loads upon the floors or roofs, or the same are overloaded or have insufficient strength to be reasonably safe for the purpose used.
- (3) The building has been damaged or destroyed by fire, wind, or other causes and has become dangerous to life, safety, or the general health and welfare of people within or nearby the structure.
- (4) The building is so dilapidated, decayed, unsafe, unsanitary, or so utterly fails to provide the amenities essential to decent living that it is unfit for human habitation or occupancy, or is likely to cause sickness or disease, so as to injure the health, safety, or general welfare.
- (5) The building has parts that are so attached that there is a reasonable likelihood they may fall and injure members of the public or property in general.
- (6) The building is vacant and not sufficiently secured to prevent easy access to trespassers and vagrants, or is otherwise untended or unkempt to the extent that it poses a general health or safety hazard for neighboring people or property.
- (7) The electrical or mechanical installations or systems create a hazardous condition contrary to the standards of the Florida Building Code.

(8) An unsanitary condition exists by reason of inadequate or malfunctioning sanitary facilities or waste disposal systems.

(b) A building that is unsafe or dilapidated constitutes a nuisance.

(Ord. No. 00-20, § VI, 5-18-00; Ord. No. 2006-05, § I, 3-2-06)

(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

The definition of affordable rents for Community Assistance assisted activities are the annually published HOME rents and the State Housing Initiative Partnership (SHIP) Program rents based on bedroom size. The Low HOME rent is the maximum rent for individuals and families up to 50% of area median income (AMI). The High HOME rent is the maximum rent for individuals and families up to 80% of AMI. The SHIP rent schedule, published annually by the Florida Housing Finance Corporation, is the maximum rent for individuals and families with incomes greater than 80% of AMI and less than 120% of AMI.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The affordability period will be fifteen (15) years for properties acquired through this program for rental or homeowner purposes. Community Assistance will ensure long term affordability for rental properties through the use of a Land Use Restriction Agreement (LURA) or a Declaration of Covenants and Restrictions that will be recorded against the property. Community Assistance will annually monitor single and multi-family rental units that are assisted with NSP funds during the affordability period to ensure that the specified units are affordable and that the property(s) continue to meet minimum housing quality standards.

Community Assistance will ensure long term affordability for homeowner properties through the use of restrictive covenants in the mortgage that is provided from the County to the homebuyer and through the use of a recorded Land Use Restriction Agreement (LURA). If the homeowner who has been assisted through the program transfers title or fails to maintain the home as their primary residence before the 15 year affordability period expires, the assistance provided by Community Assistance will be subject to recapture, and a portion of the appreciated value of the property must be paid to the County. The County will also provide for a right of first refusal to purchase the home upon certain terms and conditions if it is sold prior to the expiration of the 15 year affordability period.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

Community Assistance will provide funding as a deferred loan at 0% interest with a recorded mortgage for approved NSP Rental Housing Partners to acquire the properties. Community Assistance will also provide funding for the rehabilitation of the property at 0% interest for one year, if rented to an eligible household after rehabilitation (See “Rehabilitation Activity”). Community Assistance will limit the number of properties that the NSP Rental Housing Partners can obtain based on their capacity. Community Assistance will notify NSP Rental Housing Partners that they have been approved to acquire a specific property.

It is anticipated that a portion of the funds associated with this activity will be for households earning at or below 50% of AMI. Community Assistance may provide other incentives for NSP Rental Housing Partners to assist special needs populations, which may include the homeless, disabled, victims of domestic violence and others. The County’s Continuum of Care has identified the creation of new permanent housing for chronically homeless as its highest priority need.

To ensure continued affordability, single-family and multi-family units assisted under this activity will have a Land Use Restriction Agreement (LURA)/Declaration of Covenants and Restrictions for a term of 15 years recorded against the properties. Community Assistance will release the mortgage on those properties, which the NSP Rental Housing Partner agrees to rent for the affordability period to households with incomes below 50% of the area median income. As long as the NSP Rental Housing Partner maintains the property as an affordable rental property for households with incomes of 80% to 120% of area median income for 15 years, the loan will remain deferred for the term and released at the conclusion of affordability period.

Community Assistance will allow and pay for development fees that are fair and reasonable as part of the acquisition and rehabilitation process. Development fees and other soft/project related costs associated with the acquisition shall be considered “program delivery” type costs and will be charged to the individual projects assisted.

(9) Total Budget: *(Include public and private components)*

\$600,000

(10) Performance Measures: *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent)*

Activity	Number of Units		
	Low Income (=< 50% AMI)	Moderate Income (50% - 80%)	Middle Income (81% - 120%)
Acquisition for Rental	4	0	0

Response:

On April 1, 2010, Volusia County amended its NSP action plan, and deleted the demolition and development activities that provide for using funds for demolition and redevelopment of public facilities and improvements. Volusia County does not intend to demolish or redevelop any foreclosed or abandoned homes using NSP funds.

The following table defines the number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing. Additionally it depicts the number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Activity	Number of Units		
	Low Income (=< 50% AMI)	Moderate Income (50% - 80%)	Middle Income (81% - 120%)
Acquisition for Resale	6	15	5
Acquisition for Rental	4	0	0
Rehabilitation	10	15	5
Sale of Properties	6	15	5

All activities are expected to commence in January of 2009 with full completion by July 2013.

Community Assistance does not anticipate undertaking any activity whereby a tenant or resident would be displaced, however, all Uniform Relocation Act requirements will be followed should the situation arise.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

On October 28, 2008 an advertisement was placed in the Daytona Beach News-Journal to notify the general public of a opportunity to comment on the proposed Neighborhood Stabilization Program Substantial Amendment. The NSP amendment was posted to the Volusia County website at www.volusia.org/nsp.

Additionally, a news release was posted to the Volusia County website requesting public comments on the amendment.

Copies of the advertisement and press release have been attached to this document.

Public comments are also attached as **Attachment 1 to the NSP Substantial Amendment – Public Comments.**

On February 28, 2010 an advertisement was placed in the Daytona Beach News-Journal to notify the general public of an opportunity to comment on the proposed amendments to the Neighborhood Stabilization Program Substantial Amendment. The proposed NSP amendment summary and maps were also posted to the Volusia County website at www.volusia.org/

A copy of the advertisement and public comments to the amendment are summarized in Attachment 1.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Activity 1

(1) Activity Name: Planning and Administration

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use

24 CFR 570.206(1) – Planning and Administration

CDBG Eligible Use

24 CFR 570.206(1) – Planning and Administration

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

N/A

(4) Projected Start Date: September 29, 2008

(5) Projected End Date: July 30, 2013

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

County of Volusia, FL
Community Assistance Division
110 W. Rich Avenue
DeLand, FL 32720

Diana Phillips, Housing and Grants Administration Manager
Telephone: (386) 736-5955 extension 2958
Facsimile: (386) 943-7011
E-mail: dphillips@co.volusia.fl.us

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

This activity will be carried out in the target areas as referenced in Section A – Areas of Greatest Need. After analysis within the target area, specific properties will be evaluated. Factors may include elements such as block location, amount of rehabilitation, purchase price, ownership, and other criteria affecting costs.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds

used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- tenure of beneficiaries--rental or homeownership;
- duration or term of assistance;
- a description of how the design of the activity will ensure continued affordability.

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Response:

Neighborhood Stabilization Program funds will be used to pay administrative costs related to the planning and execution of the program activities included within this substantial amendment. The costs will include those required for overall management, coordination, monitoring, reporting, and direct and indirect charges.

(9) Total Budget: \$522, 283

Community Assistance will also request reimbursement for pre-award costs incurred through completion of the substantial amendment. In addition, all costs such as appraisals, title searches and opinions, title insurance, environmental assessments, inspections, development fees, engineering studies and mitigation, and associated permits will be charged to the individual project. However, if completion of the above listed functions causes Community Assistance to determine the complexities associated with the project prohibit its initiation, those costs will be assumed through the administration line item.

(10) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

Community Assistance will enter into agreements with firms or organizations that have been selected to complete the activities, or a portion thereof, as listed in this substantial amendment. Each agreement will include provisions related to the program regulations, expenditure requirements, and targeted population requirements. All information will be reviewed for completeness and compliance prior to any expenditure of funds.

The following table outlines the proposed performance measure related to each of the activities outlined in this substantial amendment.

Activity	Number of Units		
	Low Income (=< 50% AMI)	Moderate Income (50% - 80%)	Middle Income (81% - 120%)
Acquisition for Resale	6	15	5
Acquisition for Rental	4	0	0
Rehabilitation	10	15	5
Sale of Properties	6	15	5

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Activity 2

(1) Activity Name: Acquisition of foreclosed properties for resale

(1) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible use:

- (B) Purchase homes and residential properties that have been abandoned and foreclosed upon in order to sell such homes and properties to eligible individuals and households.

CDBG eligible activities

- Acquisition -24 CFR 570.201(a)
- Disposition – 24 CFR 570.201(b)
- Direct homeownership assistance – 24 CFR 570.210 (n)

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

- Activities benefiting low-moderate income persons – Housing Activities 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate and middle income national objective of the assistance activity by providing or improving permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH);

(4) Projected Start Date: September 29, 2008

(5) Projected End Date: June 30, 2013

(6.) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

County of Volusia, FL
Community Assistance Division
110 W. Rich Avenue
DeLand, FL 32720

Diana Phillips, Housing and Grants Administration Manager
Telephone: (386) 736-5955 extension 2958
Facsimile: (386) 943-7011

E-mail: dphillips@co.volusia.fl.us

Community Assistance will issue one or more RSQ/RFPs to select firms and organizations to assist the Community Assistance Division with the resale of the acquired homes to income eligible homebuyer households, to provide appraisal services and title services, management services and other services to be determined to implement and administer the NSP acquisition program..

(7) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

This activity will be carried out in the target areas as referenced in Section A – Areas of Greatest Need. After analysis within the target area, specific properties will be evaluated. Factors may include elements such as block location, amount of rehabilitation, purchase price, ownership, and other criteria affecting costs.

(8) Activity Description: *Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirements for those below 50% of area median income.*

For housing related activities, include:

- *tenure of beneficiaries--rental or homeownership;*
- *duration or term of assistance;*
- *a description of how the design of the activity will ensure continued affordability.*

For acquisition activities, include:

- *discount rate*

For financing activities, include:

- *range of interest rates*

Response:

The Community Assistance Division will develop a list of foreclosed homes in the target areas. The Community Assistance Division will work with lenders to acquire homes that have been foreclosed, vacant for at least 90 days, and are on the lender's or investor's current inventory of real estate owned property. Once foreclosed properties have been identified in the target areas, the Community Assistance Division will negotiate with the lender(s) to obtain the maximum reasonable purchase discount for use in the program. Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 1 percent.

Such methodology shall provide for an analysis of the estimated holding rehabilitation (See “Rehabilitation Activity”).

Community Assistance will establish a period of time in which to sell the acquired home to income eligible homebuyers (See Purchase Assistance Program - Activity 4). Failure to sell the home in a timely manner will result in the possibility that Community Assistance will turn the unit into a rental unit to be managed by the NSP Rental Housing Partner or a Property Management agency that has been qualified by Community Assistance during the RSQ process.

Community Assistance may leave a portion of the NSP acquisition and/or rehabilitation funds behind in the form of a soft-second, 0% interest, deferred payment loan to the income eligible household. The amount of assistance that will be left behind as a deferred payment loan will be tiered according to income and need. As long as the borrower/owner maintains the property as their principal homestead residence during the period of affordability, the loan will remain deferred.

Program income received from the sale of assisted units will be recycled for eligible NSP activities.

If a foreclosed upon home or residential property is to be sold to an individual or household as a primary residence, no profit may be earned by Community Assistance on such sale. The property will be sold to income eligible buyers to be used as their primary residence in an amount equal to or less than the cost to acquire and rehabilitate such home up to a decent, safe and habitable condition. Community Assistance will allow and pay for real estate sales fees that are fair and reasonable as part of the acquisition and rehabilitation process. Sales fees, closing costs, and other soft/project related costs associated with the acquisition and rehabilitation shall be considered “program delivery” type costs and will be charged to the individual projects assisted.

(9) Total Budget: *(Include public and private components)*

\$2,564,840.00

(10) Performance Measures: *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent)*

Activity	Number of Units		
	Low Income (=< 50% AMI)	Moderate Income (50% - 80%)	Middle Income (81% - 120%)
Acquisition for Resale	6	15	5

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Activity 3

(1) Activity Name: Acquisition of foreclosed properties for permanent rental housing

(2) Activity Type: *(include NSP eligible use & CDBG eligible activity)*

NSP Eligible use:

- (B.) - Purchase homes and residential properties that have been abandoned and foreclosed upon in order to rent such homes and properties to eligible individuals and households, including special needs and homeless individuals and households.

CDBG eligible activities

- Acquisition -24 CFR 570.201(a)
- Disposition – 24 CFR 570.201(b)

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).*

- Activities benefiting low-moderate income persons – Housing Activities 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate- and middle income national objective of the assistance activity by providing or improving permanent residential structures that will be occupied as a renter by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH);

(4) Projected Start Date: September 29, 2008

(5) Projected End Date: June 30, 2013

(6) Responsible Organization: *(Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)*

County of Volusia, FL
Community Assistance Division
110 W. Rich Avenue
DeLand, FL 32720

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Telephone: (386) 736-5955 extension 2958
Facsimile: (386) 943-7011
E-mail: dphillips@co.volusia.fl.us

Community Assistance will use Community Housing Development Organizations, Continuum of Care partners and NSP affordable housing partners to implement and administer the acquisition for rental program.

(7) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

This activity will be carried out in the target areas as referenced in Section A – Areas of Greatest Need. After analysis within the target area, specific properties will be evaluated. Factors may include elements such as block location, amount of rehabilitation, purchase price, ownership, and other criteria affecting costs.

(8) Activity Description: *Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirements for those below 50% of area median income.*

For housing related activities, include:

- *tenure of beneficiaries--rental or homeownership;*
- *duration or term of assistance;*
- *a description of how the design of the activity will ensure continued affordability.*

For acquisition activities, include:

- *discount rate*

For financing activities, include:

- *range of interest rates*

Response:

The County's Community Assistance Division will solicit partners/organizations from the organizations that are members of the Continuum of Care and Community Housing Development Organizations ("NSP Rental Housing Partners"). The organizations chosen must have a proven track record in property management for low-income households. Community Assistance will provide the NSP Rental Housing Partners with information about foreclosed homes in the target areas. The NSP Rental Housing Partners will work with lenders to acquire homes that have been foreclosed, vacant for at least 90 days, and are on the lender's or investor's current inventory of real estate owned property. Once foreclosed properties have been identified in the target areas, the NSP Rental Housing Partner will negotiate with the lender(s) to obtain the maximum reasonable discount for use in the program.

Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 1 percent

Community Assistance will provide funding as a deferred loan at 0% interest with a recorded mortgage for approved NSP Rental Housing Partners to acquire the properties. Community Assistance will also provide funding for the rehabilitation of the property at 0% interest for one year, if rented to an eligible household after rehabilitation (See “Rehabilitation Activity”). Community Assistance will limit the number of properties that the NSP Rental Housing Partners can obtain based on their capacity. Community Assistance will notify NSP Rental Housing Partners that they have been approved to acquire a specific property.

It is anticipated that a portion of the funds associated with this activity will be for households earning at or below 50% of AMI. Community Assistance may provide other incentives for NSP Rental Housing Partners to assist special needs populations, which may include the homeless, disabled, victims of domestic violence and others. The County’s Continuum of Care has identified the creation of new permanent housing for chronically homeless as its highest priority need.

To ensure continued affordability, single-family and multi-family units assisted under this activity will have a Land Use Restriction Agreement (LURA)/Declaration of Covenants and Restrictions for a term of 15 years recorded against the properties. Community Assistance will release the mortgage on those properties, which the NSP Rental Housing Partner agrees to rent for the affordability period to households with incomes below 50% of the area median income. As long as the NSP Rental Housing Partner maintains the property as an affordable rental property for households with incomes of 80% to 120% of area median income for 15 years, the loan will remain deferred for the term and released at the conclusion of affordability period.

Community Assistance will allow and pay for development fees that are fair and reasonable as part of the acquisition and rehabilitation process. Development fees and other soft/project related costs associated with the acquisition shall be considered “program delivery” type costs and will be charged to the individual projects assisted.

(9) Total Budget: *(Include public and private components)*

\$600,000

(10) Performance Measures: *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent)*

Activity	Number of Units		
	Low Income (=< 50% AMI)	Moderate Income (50% - 80%)	Middle Income (81% - 120%)
Acquisition for Rental	4	0	0

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Activity 4

(1) Activity Name: Purchase Assistance Program for Acquired and Rehabilitated Foreclosed Homes

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible use:

- A - Establish financing mechanism for purchase and redevelopment of foreclosed homes and residential properties, including such mechanisms as soft-second and shared equity.

CDBG eligible activities:

- Homeownership assistance - 24 CFR 570.201(n)
- Acquisition, 24 CFR 570.201(a)
- Rehabilitation and preservation activities as defined in 24 CFR 570.202

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

- Activities benefiting low-moderate income persons – Housing Activities 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate- and middle income national objective of the assistance activity by providing or improving permanent residential structures that will be occupied as a renter by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH);

(4) Projected Start Date: January 1, 2009 (approximately)

(5) Projected End Date: June 30, 2010

(6) Responsible Organization:

The County of Volusia, FL
Community Assistance Division
110 W. Rich Avenue
DeLand, FL 32720

Diana Phillips, Housing and Grants Administration Manager
Telephone: (386) 736-5955 extension 2958
Facsimile: (386) 943-7011
E-mail: dphillips@co.volusia.fl.us

Community Assistance will use the existing list of Affordable Housing Partners (AHP) to implement and administer the NSP purchase assistance program.

(7) Location Description: *(Description may include specific addresses, blocks or neighborhoods to the extent known.)*

This activity will be carried out in the target areas as referenced in Section A – Areas of Greatest Need. After analysis within the target area, specific properties will be evaluated. Factors may include elements such as block location, amount of rehabilitation, purchase price, ownership, and other criteria affecting costs.

(8) Activity Description: *Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirements for those below 50% of area median income.*

For housing related activities, include:

- *tenure of beneficiaries--rental or homeownership;*
- *duration or term of assistance;*
- *a description of how the design of the activity will ensure continued affordability.*

For acquisition activities, include:

- *discount rate*

For financing activities, include:

- *range of interest rates*

Community Assistance will provide assistance to eligible individuals and households to purchase from Volusia County acquired and rehabilitated foreclosed homes. The funding may reduce interest rates, mortgage principal amounts, provide a second mortgage, provide down payment and pay the purchaser's reasonable closing costs.

Any NSP-assisted homebuyer must receive at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency prior to obtaining a mortgage loan, and prior to the sale of the property to the homebuyer. All parties on the deed will be required to have a minimum of 8 hours of counseling.

To ensure continued affordability, Community Assistance will leave a portion of the NSP acquisition and rehabilitation funds behind in the form of a 15 year, 0% interest, deferred payment loan to the income eligible household. The amount of assistance that will be left behind as a deferred payment loan will be tiered according to income and need. If the homeowner either: 1) fails to reside in the property as their principal homestead residence; or 2) refinances the home during the affordability period without the consent of Community Assistance for the 15 year affordability period, 100% of the funds are subject to be recaptured by Community Assistance.

Community Assistance will also require a portion of the equity to be returned to Community Assistance if the homebuyer, prior to the end of the 15 year affordability period either: 1) fails to maintain the property as their principal homestead residence; or

2) refinances the home during the affordability period without the consent of Community

Assistance. The amount of equity to be shared will be tiered based on the number of years of residence in the home. The County will also provide for a right of first refusal to purchase the home upon certain terms and conditions if it is sold prior to the expiration of the 15 year affordability period. The terms for ensuring continued affordability will be included in the mortgage and Land Use Restriction Agreement entered into between the County and the homeowner and recorded in the land records.

The lender of any first mortgage loan provided to an income eligible household must comply with Treasury’s guidance for non-traditional mortgages (available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>). Compliance must be documented. All first mortgage loans must be at a fixed rate not to exceed a term of forty (40) years.

(9) Total Budget: *(Include public and private components)*

The budget for this activity is included as a portion of the budgets of Activity 1 – Acquisition of foreclosed properties for resale, and Activity 3 – Rehabilitation of foreclosed properties.

(10) Performance Measures *(e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):*

Activity	Number of Units		
	Low Income (=< 50% AMI)	Moderate Income (50% - 80%)	Middle Income (81% - 120%)
Sale of Properties	6	15	5

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

Activity 5

(1) Activity Name: Housing Rehabilitation of Acquired Foreclosed Homes

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use

- (B) – Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties

CDBG Eligible Use

- 24 CFR 570.202 – Eligible rehabilitation and preservation activities for home and other residential properties

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

- 24 CFR 570.208(a)(3) – Housing Activities
- NSP activities will meet the low, moderate and middle income national objective of the program by providing assistance to those at or below 120% of the area median income.

(4) Projected Start Date: September 29, 2008

(5) Projected End Date: July 30, 2013

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

County of Volusia, FL
Community Assistance Division
110 W. Rich Avenue
DeLand, FL 32720

Diana Phillips, Housing and Grants Administration Manager
Telephone: (386) 736-5955
Facsimile: (386) 943-7011
E-mail: dphillips@co.volusia.fl.us

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

This activity will be carried out in the target areas as referenced in Section A – Areas of Greatest Need. After analysis within the target area, specific properties will be evaluated. Factors may include elements such as block location, amount of rehabilitation, purchase price, ownership, and other criteria affecting costs.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

- **tenure of beneficiaries--rental or homeownership;**
- **duration or term of assistance;**
- **a description of how the design of the activity will ensure continued affordability.**

For acquisition activities, include:

- **discount rate**

For financing activities, include:

- **range of interest rates**

Community Assistance plans to use Neighborhood Stabilization Program funds for the rehabilitation of single-family and multi-family residential properties. Rehabilitation costs will include labor, materials, supplies, permits, lead-based paint assessment, asbestos assessment, abatement and clearance activities, accessibility compliance and any other code deficiencies. Rehabilitation costs will also include project delivery costs.

All rehabilitation work undertaken through the Neighborhood Stabilization Program shall be in accordance with the Florida Building Codes currently in effect.

Also, the County of Volusia Minimum Standards for Rehabilitation of Residential Properties shall be used in completing work specifications for all rehabilitation activities.

To the extent feasible, rehabilitation contractors will be encouraged to increase the energy efficiency or conservation of the properties or to provide a renewable energy source or sources for the properties. Each contractor will be provided with the Florida Green Building Coalition home standards.

It is expected that the majority of homes acquired through Neighborhood Stabilization Program funds will require some degree of rehabilitation. The rehabilitation will be completed for units designed for both homeownership and rental activities. Energy efficient mechanisms would assist in maintaining the affordability of the rehabilitated unit.

For homeownership activities, if the estimated cost of the rehabilitation will exceed 60% of the appraised value of the structure, the unit will be deemed unsuitable for the Neighborhood Stabilization Program.

For homeownership activities, if the estimated cost of the rehabilitation will not exceed 60% of the appraised value of the structure, the rehabilitation work will be completed and a portion of the rehabilitation costs may remain with the home when it is sold to an income eligible household in the form of down payment assistance. Down payment assistance will be in the form of a secured 0% interest loan that shall be due and payable if the property ceases to be the primary residence of the borrower, or if the home is rented, sold, or title is transferred.

For rental activities that will benefit those at or below 50% of the area median income, rehabilitation of single-family or multi-family homes will also occur. If a housing unit is rented, it will be critical to ensure that the housing partner has demonstrated property management skills. Only those housing partners with demonstrated above average property management skills and a clear understanding of federal grant requirements, as evidenced through favorable monitoring results, will be considered as partners in completion of this activity.

(9) Total Budget: \$1,535,708

(10) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):

Activity	Number of Units		
	Low Income (=< 50% AMI)	Moderate Income (50% - 80%)	Middle Income (81% - 120%)
Rehabilitation	10	15	5

**Attachment 1-A
Budge**

Activity	Total Allocation	50% and below AMI	51 – 120% AMI
Planning and Administration	\$522,283	N/A	N/A
Acquisition of Foreclosed Properties	\$3,164,840	\$600,000	\$2,564,840
Rehabilitation of Foreclosed Properties	\$1,535,708	\$705,708	\$830,000
Purchase Assistance for Homebuyers	\$0	\$0	\$0
Total	\$5,222,831	\$1,305,708	\$3,394,840

