

**County of Volusia
NSP3 Action Plan/
Substantial Amendment
to the Consolidated Plan**

Approved by HUD on March 10, 2011

1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Phillips, Diana
Email Address	dphillips@co.volusia.fl.us
Phone Number	386-736-5955
Mailing Address	110 W. Rich Avenue, DeLand, Florida 32720

2. Areas of Greatest Need

Map Submission

The maps generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website are included as an attachment.

Data Sources Used to Determine Areas of Greatest Need

Describe the data sources used to determine the areas of greatest need.

Response:

1. The HUD Neighborhood Stabilization Program 3 (NSP3) Mapping Tool was used to define each of the areas of greatest need.
2. A local housing market analysis was developed by the Volusia County Community Assistance Division to aid in determining areas of greatest need, and in assessing the types of activities to be undertaken in these areas using NSP3 funds. The Community Assistance Division used the following data sources in developing its local housing market analysis: data from www.trulia.com (an Internet based real estate market analysis website), the Daytona Beach Area Realtors Association Market Analysis, the Volusia County Economic Development Division, the Shimberg Center for Affordable Housing, the West Volusia Association of Realtors, the Daytona Area Association of Realtors, the National Association of Realtors and data from the U.S. Census, American Community Survey.

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:

In Volusia County, the areas of greatest need for the Neighborhood Stabilization Program 3 (NSP3) were developed pursuant to the criteria established in the Housing and Economic Recovery Act of 2008 (HERA) and the NSP3 Notice that was authorized in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Frank-Dodd Act). The purpose of the NSP3 is to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned.

HERA required NSP funds to be used in the areas of greatest need, as determined based on the following criteria:

- 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

Community Assistance utilized the HUD-provided foreclosure data from HUD User Website – www.huduser.org/publications/commdevl/nsp.html for this analysis. Based on the HUD established criteria and the HUD-provided foreclosure data, Volusia County Community Assistance Division (“Community Assistance”) initially targeted selected census tract block groups within the cities of Deland, Edgewater, Holly Hill and Orange City, including unincorporated Volusia County areas that were adjacent to these cities in applying for NSP1 more than two years ago. The NSP1 target areas were later expanded by an amendment to the NSP1 Action Plan to include census tracts within the cities of DeBary, Lake Helen, New Smyrna Beach, Ormond Beach and South Daytona that met these criteria. (“NSP1 target areas”)

ESTIMATES OF FORECLOSURE NEED - HUD Foreclosure Score

As required by the Frank-Dodd Act for the NSP3 application, Community Assistance used HUD’s Foreclosure Need website to identify the areas of greatest need that will likely face a significant rise in the rate of home foreclosures. Community Assistance evaluated the census tracts that are the current NSP1 target areas as the first step in determining the areas of greatest need for NSP3 funding as it had already been determined that these census tracts were heavily impacted by foreclosures. The neighborhoods identified by Community Assistance as being the areas of greatest need had an individual or average combined index score not less than 17. This is the minimum threshold score established by HUD for the State of Florida. Table 1 below summarizes this information for the current NSP1 target areas:

Table 1: NSP 1 census tracts by HUD foreclosure score

Area of the County	Census Tract	HUD Foreclosure Score
DeBary	909.01	18
	909.02	17
	903.01	19
DeLand	903.02	19
	905.00	19
	906.00	19
	907.01	19
	907.02	19.98
Lake Helen	910.01	19
Orange City	908.01	20
	908.02	20
Edgewater	830.04	19.98
	830.05	19.03
Holly Hill	808.03	19
	808.05	19.99
	809.00	20
	810.00	19
	817.00	20
New Smyrna Beach	828.00	18.07
	829.01	18

Ormond Beach	807.00	18.93
	808.01	19
South Daytona	824.01	18

After further review of this data, Community Assistance established a HUD foreclosure score of 19 as its minimum threshold score to determine the areas of greatest need for NSP3 funds. Table 2 below lists the census tracts that have a minimum score of 19 or higher.

Table 2: Census tracts with a HUD foreclosure score of 19 or higher

Area of the County	Census Tract	HUD Foreclosure Score
DeLand	903.01	19
	903.02	19
	905.00	19
	906.00	19
	907.01	19
	907.02	19.98
Lake Helen	910.01	19
Orange City	908.01	20
	908.02	20
Edgewater	830.01	20
	830.04	19.98
	830.05	19.03
Holly Hill	808.03	19
	808.05	19.99
	809.00	20
	810.00	19
	817.00	20
Ormond Beach	808.01	19

Foreclosure Estimates – Number of foreclosure starts

Using the data provided by HUD through its website mapping tool, Community Assistance analyzed the foreclosure starts in the past year for each of the threshold census tracts. This data is considered to be very relevant as it provides information on the extent to which foreclosure remains a current problem in the area.

Table 3: Census tracts and number of foreclosure starts

Area of the County	Census Tract	Number of foreclosure starts in the past year
DeLand	903.01	223*
	903.02	149
	905.00	19
	906.00	109
	907.01	96
	907.02	85
Lake Helen	910.01	132
Orange City	908.01	299*

	908.02	122
Edgewater	830.01	153
	830.04	316*
	830.05	58
Holly Hill	808.03	95
	808.05	124
	809.00	203*
	810.00	61
	811.00	142
Ormond Beach	808.01	98

*Census tract with the highest number of recent foreclosures filings within this area

Foreclosure estimates – Highest ranked census tracts – Westside and Eastside

Volusia County has historically and culturally been divided between the Eastside and Westside communities, due in part to the large portion of the center of the county that remains undeveloped and/or agricultural land. With this in mind, Community Assistance determined that the NSP3 areas of greatest need must include highly impacted neighborhoods on both sides of the county. Table 4 below lists the census tracts with the highest HUD foreclosure scores and the highest number of foreclosure starts in the past year which are potential NSP3 areas of greatest need.

Table 4: Census tracts with highest foreclosure starts

Area of County	Census Tract	Number of foreclosure starts in the past year
Westside		
DeLand	903.01	223
Orange City	908.01	299
Eastside		
Edgewater	830.04	316
Holly Hill	809.00	203

Foreclosure estimates - Ability to impact target areas

Pursuant to the Frank-Dodd Act, the NSP3 funds are intended to be used in the areas of greatest need that are drawn in a targeted manner such that the funds can have a positive impact on the selected neighborhoods. Community Assistance reviewed the HUD-provided data on the number of housing units in the neighborhood and compared these numbers to the number of properties needed to make an impact in the identified target areas as estimated by HUD. Table 5 below summarizes this data:

Table 5: Census tracts and estimated properties to impact

Area of County	Census Tract	Number of housing units in neighborhood	Estimated number of properties needed to make an impact in the neighborhood
DeLand	903.01	4,662	43
Orange City	908.01	4,811	59
Edgewater	830.04	4,618	63
Holly Hill	809.00	5,205	42

TOTAL	19,296	207
-------	--------	-----

Upon further review and analysis, Community Assistance determined that using the geographic boundaries of the selected census tracts would create areas of greatest need that are too large to create a positive impact, based on the amount of NSP1 and NSP3 funds allocated to Volusia County. Using the HUD foreclosure mapping tool, Volusia County revised and narrowed the potential NSP 3 target areas, focusing on smaller neighborhood regions within these census tracts. Table 6 below summarizes the data for the proposed areas of greatest need which have been reduced in size:

Table 6: Revised census tracts by estimated properties to impact

Neighborhood	Census Tract	Number of housing units in neighborhood	Estimated number of properties needed to make an impact in the neighborhood
DeLand – Daytona Park Estates	903.01	1,017	9
Orange City – Orange City Terraces	908.01	758	9
Orange City – West Highlands	908.01	838	10
Edgewater – Florida Shores	830.04	1,736	24
Holly Hill – Nova East	809.00	906	6
TOTAL		4,358	58

Proposed NSP3 Areas of Greatest Need

The Volusia County NSP3 allocation proposes to focus on five (5) neighborhoods, defined pursuant to the NSP3 criteria, to create a significant impact for the hardest hit communities. Initial target areas are the neighborhoods described in Table A below which are composed of census tract block groups DeLand, Orange City, Edgewater, and Holly Hill described generally below. The Proposed NSP3 areas of greatest need are described with specificity and maps in Addendum A.

Table A

DeLand – Daytona Park Estates	Orange City – Orange City Terraces	Orange City – West Highlands	Edgewater – Florida Shores South	Holly Hill – Nova East
-------------------------------	------------------------------------	------------------------------	----------------------------------	------------------------

Portion of census tract 903.01 in unincorporated DeLand known as Daytona Park Estates (Generally bounded by US 92, Kepler Road, Larkspur Road, and East Parkway)	Portion of census tract 908.01 in unincorporated Orange City known as the Orange City Terraces neighborhood (Generally bounded by Fern Street, Cypress Avenue, Adeline Street and Lawton Avenue)	Portion of census tract in 908.01 in unincorporated Orange City known as the West Highlands neighborhood (Generally bounded by 20 th Street, Werley Trail, 1 st Street and Hamilton Avenue)	Portion of census tract 824.01 in the city of Edgewater known as a portion of Florida Shores (Generally bounded by SR 442 – Indian River Blvd., Willow Oak Drive., 22 nd Street, Silver Palm Drive, 26 th Street and Guava Drive)	Portion of census tract 809.00 in the city of Holly Hill called Nova East (Generally bounded by LPGA Blvd., N. Nova Road, 3 rd Street and Center Street)
------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------

3. Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	<p>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 Statutes, Chapter 553, Building Construction Standards:</p> <p>CODE OF ORDINANCES County of Volusia, Florida. Chapter 58 Health and Sanitation/Article III Unsafe or Dilapidated Buildings</p> <p>(a) A building is unsafe or dilapidated when any of the following conditions exist:</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(4) The building is so dilapidated, decayed, unsafe, unsanitary, or so utterly</p>

	<p>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.</p> <p>(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.</p> <p>(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.</p> <p>(7) The electrical or mechanical installations or systems create a hazardous condition contrary to the standards of the Florida Building Code.</p> <p>(8) An unsanitary condition exists by reason of inadequate or malfunctioning sanitary facilities or waste disposal systems.</p> <p>(b) A building that is unsafe or dilapidated constitutes a nuisance.</p>
Affordable Rents	<p>The definition of affordable rents for Community Assistance assisted activities are the annually published HOME rents and the State Housing Initiatives Partnership (SHIP) program rents based on bedroom size. The Low HOME rent is the maximum rent for individuals and families up to 50% of the 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.</p>

Descriptions

Term	Definition
Long-Term Affordability	<p>The affordability period will be fifteen (15) years for properties acquired through this program for rental or homeowner purposes.</p> <p>Community Assistance will ensure long term affordability for rental properties through the use of 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.</p> <p>Community Assistance will ensure long term affordability for homeowner properties that the County directly acquires and rehabilitates through the use of restrictive covenants in the mortgage that is provided from the County to the homebuyer. 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.</p>

	Long term affordability for homeowner properties that are owned and rehabilitated by Homebuyer Partners will be ensured through a recorded declaration of covenants and conditions with resale restrictions for 15 years.
Housing Rehabilitation Standards	All rehabilitation work undertaken through the Neighborhood Stabilization Program shall be in accordance with the Florida Building Codes currently in effect. Additionally, the Volusia County Community Assistance Division Minimum Rehabilitation Standards have been amended for the NSP3 program to include standards for enhanced energy efficiency and conservation. The NSP3 Rehabilitation Standards are attached as Addendum B.

4. Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response:

Total low-income set-aside percentage (must be no less than 25 percent): 25.00%

Total funds set aside for low-income individuals = \$917,629.00

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will be met.

Response:

Volusia County anticipates that the requirement to use at least 25% of the NSP3 funds to assist persons at or below 50% of the area median income will be primarily accomplished through homeownership housing activities. Community Assistance will issue one or more Request for Proposals directed to non-profit homebuyer housing developers for acquisition and rehabilitation of foreclosed homes for resale to persons at or below 50% of the area median income.

Volusia County also plans to make rental housing available to this targeted population. Community Assistance will issue one or more Request for Proposals directed to the agencies that are members of the Continuum of Care, as well as other non-profit affordable rental housing developers, to identify suitable foreclosed and abandoned properties to acquire and rehabilitate for permanent rental housing for low-income households that need safe, decent and affordable rental housing.

5. Acquisition and Relocation

Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income

dwelling units (i.e., ≤ 80% of area median income)?	No
-----------------------------------------------------	----

If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	N/A
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 (including a proposed time schedule for commencement and completion).	N/A
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	N/A

6. Public Comment

Citizen Participation Plan

<p>Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.</p>
<p>Response:</p> <p>On January 23, 2011 an advertisement was placed in the Daytona Beach News-Journal to notify the general public of an opportunity to comment on the proposed Neighborhood Stabilization Program 3 Substantial Amendment. The NSP3 amendment was posted on January 24, 2011 to the Volusia County website at www.volusia.org/nsp.</p> <p>Copies of the advertisement and the website posting have been attached to this document.</p> <p>Public comments are also attached as Attachment 1 to the NSP3 Substantial Amendment – Public Comments.</p>

Summary of Public Comments Received.

The summary of public comments received is included as an attachment.

7. NSP Information by Activity

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled “Activity Number 4,” “Activity Number 5,” “Activity Number 6,” and “Activity Number 7.” If you are unsure how to delete a table, see the instructions [above](#).)

The field labeled “Total Budget for Activity” will populate based on the figures entered in the fields above it.

Consult the [NSP3 Program Design Guidebook](#) for guidance on completing the “Performance Measures” component of the activity tables below.

Activity Number 1		
Activity Name	Program Planning and Administration	
Uses	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	Planning and Administration - 24 CFR 570.206 (1)	
National Objective	(Select One)	
Activity Description	Neighborhood Stabilization Program funds will be used to pay reasonable 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.	
Location Description	Countywide	
Budget	Source of Funding	Dollar Amount
	NSP3	\$367,051.00
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$367,051.00	
Performance Measures	Not applicable	
Projected Start Date	3/1/2011	
Projected End Date	3/1/2016	
Responsible Organization	Name	County Of Volusia, Community Assistance Division
	Location	110 W. Rich Avenue, DeLand FL 32720
	Administrator Contact Info	Diana Phillips, 386-736-5955, dphillips@co.volusia.fl.us

Activity Number 2	
Activity Name	Acquisition and rehabilitation of foreclosed properties for resale
Use	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	Acquisition - 24 CFR 570.201(a); Rehabilitation - 24 CFR 570.202; Disposition - 24 CFR 570.201(b); Direct homeownership assistance – 24 CFR 570.210 (n)
National Objective	Low Moderate Middle Income Housing (LMMH)
Activity Description	This activity will assist the areas of greatest need with high rates of foreclosure in preventing blight by providing safe, decent and affordable

housing for first-time homebuyers.

Overview of local housing market conditions

Volusia County Community Assistance Division staff conducted an analysis of the local housing market conditions to comply with the requirements of NSP3 regulations. The following data was reviewed for Volusia County as a whole, and to the extent available, for the proposed NSP3 census tract target areas, in conducting this analysis:

- Trulia.com website (Internet based real estate market analysis website)
- U.S. Census, American Community Survey for 2007-2009
- Volusia County Consolidated Plan for FY 2010-2014: Housing Needs Assessment and Housing Market Analysis sections
- Volusia County Economic Development Division
- University of Florida Shimberg Center for Affordable Housing
- West Volusia and Daytona Area Association of Realtors
- National Association of Realtors

Additionally, Community Assistance staff consulted with local housing partners, including community housing development organizations and affordable rental housing providers, regarding housing market conditions in the county, with particular focus on rental housing needs. The analysis of the local housing market conditions revealed the key conditions and trends related to housing tenure, homes sales, rental market, housing affordability and employment for Volusia County. This analysis is summarized below.

Housing tenure:

- Volusia County's housing tenure is heavily weighted in favor of homeownership. As of 2009, the U.S. Census estimated 73.8% of occupied housing units in the county were homeowner occupied.
- The percentage of owner occupied homes in the county as a whole has decreased slightly from 2007 when the U.S. Census estimated that 76.0% of occupied housing units in the county were homeowner occupied.
- Homeownership rates for the NPS3 proposed census tracts is summarized below, and shows that generally these census tracts have any even higher rate of homeownership than the county as a whole:

City-Census tract	2005-2009 Percentage of homeownership
Deland - 903.01	81.5%
Orange City – 908.01	79.5%
Edgewater – 830.04	84.9%
Holly Hill – 809.00	56.5%

U.S. Census, American Community Survey 2005-2009

Homes sales:

- Local home sales data accumulated and reported on the Trulia.com website provided both positive and negative indicators of the strength of the local market for sale of single family residences in the

proposed NSP 3 target cities, as summarized below:

Area	Number of homes for sale	Number of homes recently sold	Median sales price	Year over year change in median price
Deland - 32720	373	213	\$110,000	-17.8%
Orange City - 32763	235	173	\$85,000	0%
Edgewater - 32141	494	199	\$115,500	+10%
Holly Hill - 32117	259	199	\$52,500	-30%

* Data provided by Trulia.com as of December 13, 2010

- Home sales market data provided by the West Volusia Association of Realtors as of December 2009 reflected similar trends as the data summarized above from the Trulia.com website. However, this data showed that the average days on market for West Volusia had decreased by 33.9% from 2008 (decreasing from 170 days to 112 days), which reflects a positive trend for continued home sales.

Housing affordability:

- According to the National Association of Realtors, the Volusia County metropolitan area is experiencing a very high level of homeownership affordability. For the third quarter of 2010, in Volusia County the ratio of monthly mortgage payment to income was 8.2%, as compared with an average of 14.3% for the United States as a whole. In 2008, the affordability rate for Volusia County was 9.8%, indicating that homeownership is even more affordable in the county than two years ago.

Rental market:

- Managers of multi-family affordable housing projects located in Volusia County reported that their rental occupancy rates had decreased from near capacity in 2008, and that increased marketing and "rent specials" had become necessary to secure rentals.

Employment:

- According to the Volusia County Economic Development 2010 Quarter 3 report, unemployment for 2010 year to date had fallen by 2.5%.
- As reported by the National Association of Realtors, although the Volusia County metropolitan area shows that unemployment is higher than the national average for the 3rd quarter of 2010, the local employment growth is respectable as compared to other markets.

As outlined above, the local housing market analysis conducted by Community Assistance supports the use of NSP3 funds for direct acquisition

and rehabilitation by the grantee of foreclosed homes in these areas. All of the targeted census tracts have higher rates of homeownership than the average for the county as a whole, except for Holly Hill. Market data for Orange City and Edgewater shows that the median sales price for homes in these areas has either increased or maintained over the past year which may be due in part to the investment of NSP1 funds in these neighborhoods. Continued NSP3 investment is important to maintaining homes values. The Holly Hill neighborhood is experiencing a higher rate of sales price decrease than the other proposed NSP3 target areas. Because the market values are continuing to decline, the investment of NSP3 funds is critical to prevent further decrease and blight.

The procedures that Volusia County undertook to create preferences for the development of affordable rental housing with NSP3 funds involved the review of the local housing market analysis, with particular attention to the rates of homeownership, rental occupancy, affordability, employment, wages, market rents, and other factors for each of the proposed NSP 3 target areas and countywide. The County also considered other sources of funds for the development of rental housing in the community. A preference for the development of affordable rental housing in the Holly Hill Nova East neighborhood was established to take advantage of the higher demand for decent rental housing in this NSP3 neighborhood, and because of the proximity of this neighborhood to public transportation and employment centers.

Acquisition: The Community Assistance Division will work directly with lenders and through the National Community Stabilization Trust to acquire single-family homes, including townhomes and duplexes, in the NSP3 target areas 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, with a minimum of 1% discount from the appraised value. Acquisition costs will include all eligible acquisition costs, and direct project delivery costs.

Rehabilitation: Community Assistance plans to use NSP3 funds for the rehabilitation of the acquired foreclosed 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 direct project delivery costs.

All rehabilitation work shall be undertaken by approved contractors that are selected through a competitive process. The rehabilitation work shall be performed in accordance with the Florida Building Codes currently in effect. The County of Volusia Minimum Standards for Rehabilitation of Residential Properties, amended for NSP3 to include energy efficiency and conservation

standards, shall be used in completing work specifications for all rehabilitation activities. If the estimated cost of the rehabilitation at acquisition would exceed 65% of the appraised value of the structure, the unit will be deemed an unsuitable acquisition for this activity with NSP3 funds.

Volusia County, and its rehabilitation contractors, shall to the maximum extent possible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project. Among other procedures, Volusia County and its contractors will post hiring and contracting notices on its website, at the project, in selected publications, and conduct outreach with applicable employment organizations.

Disposition: Community Assistance will establish a period of time in which to sell the acquired home to income eligible homebuyers. Failure to sell the home in a timely manner will result in the possibility that Community Assistance will turn the unit into an affordable rental unit to be managed by the NSP Rental Partner or a property management agency that has been selected by Community Assistance during a competitive selection process. The County may also determine to dispose of the property through a lease purchase program.

Direct homeownership assistance: Community Assistance will ensure continued affordability by leaving a portion of the NSP acquisition and rehabilitation funds behind in the form of a 0% interest, 15 year deferred loan that will be forgiven if all occupancy conditions are met. Funds will be recaptured if the conditions are violated. Funds can be used for down payment assistance, closing costs and pre-paid real property taxes and insurances, and gap financing. The amount of assistance that will be left behind as a deferred payment loan will be tiered according to income and need of the homebuyer. As long as the borrower/owner maintains the property as their principal homestead residence during the fifteen year period of affordability, the loan will remain deferred.

Program income received from the sale of assisted units will be recycled for eligible NSP3 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.

Location Description	DeLand - Daytona Park Estates; Edgewater - South Florida Shores; Holly Hill - Nova East; Orange City - Orange City Terraces and West Highlands	
Budget	Source of Funding	Dollar Amount
	NSP3	\$2,385,836
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$2,385,836	
Performance Measures	10 foreclosed housing units acquired, rehabilitated and resold to households whose incomes do not exceed 80% of the area median income 10 foreclosed housing units acquired, rehabilitated and resold to households whose income do not exceed 120% of the area median income	
Projected Start Date	3/1/2011	
Projected End Date	3/1/2016	
Responsible Organization	Name	County Of Volusia, Community Assistance Division
	Location	110 W. Rich Avenue, DeLand, FL 32720
	Administrator Contact Info	Diana Phillips, 386-736-5955, dphillips@co.volusia.fl.us

Activity Number 3	
Activity Name	Acquisition and Rehabilitation for Resale - Very-low Income Set-Aside
Use	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/> Eligible Use C: Land Banking
	<input type="checkbox"/> Eligible Use D: Demolition
	<input type="checkbox"/> Eligible Use E: Redevelopment
CDBG Activity or Activities	Acquisition - 24 CFR 570.201(a); Rehabilitation 24 CFR 570.202; Disposition 24 CFR 570.201(b)
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)
Activity Description	<p>This activity will assist the areas of greatest need with high rates of foreclosure in preventing blight by providing safe, decent and affordable housing for first-time homebuyers that are very-low income households.</p> <p><u>Overview of local housing market conditions</u> Volusia County Community Assistance Division staff conducted an analysis of the local housing market conditions to comply with the requirements of NSP3 regulations. The following data was reviewed for Volusia County as a whole, and to the extent available, for the proposed NSP3 census tract target areas, in conducting this analysis:</p> <ul style="list-style-type: none"> • Trulia.com website (Internet based real estate market analysis website) • U.S. Census, American Community Survey for 2007-2009 • Volusia County Consolidated Plan for FY 2010-2014: Housing Needs Assessment and Housing Market Analysis sections • Volusia County Economic Development Division • University of Florida Shimberg Center for Affordable Housing

- West Volusia and Daytona Area Association of Realtors
- National Association of Realtors

Additionally, Community Assistance staff consulted with local housing partners, including community housing development organizations and affordable rental housing providers, regarding housing market conditions in the county, with particular focus on rental housing needs. The analysis of the local housing market conditions revealed the key conditions and trends related to housing tenure, homes sales, rental market, housing affordability and employment for Volusia County. This analysis is summarized below.

Housing tenure:

- Volusia County's housing tenure is heavily weighted in favor of homeownership. As of 2009, the U.S. Census estimated 73.8% of occupied housing units in the county were homeowner occupied.
- The percentage of owner occupied homes in the county as a whole has decreased slightly from 2007 when the U.S. Census estimated that 76.0% of occupied housing units in the county were homeowner occupied.
- Homeownership rates for the NPS3 proposed census tracts is summarized below, and shows that generally these census tracts have any even higher rate of homeownership than the county as a whole:

City-Census tract	2005-2009 Percentage of homeownership
Deland - 903.01	81.5%
Orange City – 908.01	79.5%
Edgewater – 830.04	84.9%
Holly Hill – 809.00	56.5%

U.S. Census, American Community Survey 2005-2009

Homes sales:

- Local home sales data accumulated and reported on the Trulia.com website provided both positive and negative indicators of the strength of the local market for sale of single family residences in the proposed NSP 3 target cities, as summarized below:

Area	Number of homes for sale	Number of homes recently sold	Median sales price	Year over year change in median price
Deland - 32720	373	213	\$110,000	-17.8%
Orange City – 32763	235	173	\$85,000	0%
Edgewater - 32141	494	199	\$115,500	+10%
Holly Hill - 32117	259	199	\$52,500	-30%

* Data provided by Trulia.com as of December 13, 2010

- Home sales market data provided by the West Volusia Association of

Realtors as of December 2009 reflected similar trends as the data summarized above from the Trulia.com website. However, this data showed that the average days on market for West Volusia had decreased by 33.9% from 2008 (decreasing from 170 days to 112 days), which reflects a positive trend for continued home sales.

Housing affordability:

- According to the National Association of Realtors, the Volusia County metropolitan area is experiencing a very high level of homeownership affordability. For the third quarter of 2010, in Volusia County the ratio of monthly mortgage payment to income was 8.2%, as compared with an average of 14.3% for the United States as a whole. In 2008, the affordability rate for Volusia County was 9.8%, indicating that homeownership is even more affordable in the county than two years ago.

Rental market:

- Managers of multi-family affordable housing projects located in Volusia County reported that their rental occupancy rates had decreased from near capacity in 2008, and that increased marketing and "rent specials" had become necessary to secure rentals.

Employment:

- According to the Volusia County Economic Development 2010 Quarter 3 report, unemployment for 2010 year to date had fallen by 2.5%.
- As reported by the National Association of Realtors, although the Volusia County metropolitan area shows that unemployment is higher than the national average for the 3rd quarter of 2010, the local employment growth is respectable as compared to other markets.

As outlined above, the local housing market analysis conducted by Community Assistance supports the use of NSP3 funds for acquisition and rehabilitation of foreclosed homes by developers that are selected by the grantee with the experience and capacity to assist very-low income households become homeowners. All of the targeted census tracts have higher rates of homeownership than the average for the county as a whole, except for Holly Hill. The Holly Hill neighborhood is experiencing a higher rate of sales price decrease than the other proposed NSP3 target areas. Because the market values are continuing to decline, the investment of NSP3 funds is critical to prevent further decrease and blight.

Market data for Orange City and Edgewater shows that the median sales price for homes in these areas has either increased or maintained over the past year which may be due in part to the investment of NSP1 funds in these neighborhoods. Continued investment is important to maintaining the home values. The Orange City West Highlands neighborhood was not selected for this activity because the annual assessments that are required in this

neighborhood could be a financial burden for homebuyers with very-low incomes.

The procedures that Volusia County undertook to create preferences for the development of affordable rental housing with NSP3 funds involved the review of the local housing market analysis, with particular attention to the rates of homeownership, rental occupancy, affordability, employment, wages, market rents, and other factors for each of the proposed NSP 3 target areas. The County also considered other sources of funds available for the development of rental housing in the community. A preference for the development of affordable rental housing in the Holly Hill Nova East neighborhood was established to take advantage of the higher demand for decent rental housing in this NSP3 neighborhood, and because of the proximity of this neighborhood to public transportation and employment centers.

The Community Assistance Division, assisted by the County's Purchasing and Contracts Division, will issue one or more Requests for Proposals to solicit proposals from non-profit organizations through a competitive selection process to provide homebuyer housing ("Homebuyer Partners") for individuals and households at 50% or less of the area median income ("AMI"). The organization(s) selected must have a proven track record in homeownership development for low-income households, such as Habitat for Humanity.

Community Assistance will review, approve and monitor the acquisition and rehabilitation of foreclosed homes by the selected Homebuyer Partners in the NSP3 target areas. The Homebuyer Partners will work with lenders to acquire homes in the NSP3 target areas 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 NSP3 target areas, the Homebuyer Partners will negotiate with the lender(s) to obtain the maximum reasonable discount to purchase for use in the program, with a 1% discount from appraised value as the minimum discount.

Community Assistance will provide funding to the Homebuyer Partners as a deferred loan at 0% interest for one year with a recorded mortgage for the eligible costs of acquisition, as well as the payment of a reasonable developer fee for acquisition services provided. Community Assistance will limit the number of properties that the Partners can obtain based on their capacity. Community Assistance will notify the Homebuyer Partners that they have been approved to acquire a specific property.

Community Assistance will provide funding to the Homebuyer Partners as a deferred loan at 0% interest for one year with a recorded mortgage for the costs of rehabilitation attributable to required professional services and materials. The Homebuyer Partners will use the County's NSP3 rehabilitation standards, or their own rehabilitation standards if they exceed the County's

	<p>standards, in developing the rehabilitation scope of work.</p> <p>When the home is sold to an individual or household as a primary residence, no profit may be earned by the developer or Community Assistance on such sale. The property will be sold to very-low income 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.</p> <p>Volusia County will require the Homebuyer Partners, to the maximum extent possible, to develop and implement a plan to provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the projects.</p> <p>Continued affordability of the homebuyer units produced will be ensured by Community Assistance through the execution and recordation of a declaration of covenants and restrictions for a 15 year period to ensure the homes are owned and occupied by income eligible homeowners.</p>	
Location Description	DeLand - Daytona Park Estates; Edgewater - South Florida Shores; Holly Hill - Nova East; Orange City - Orange City Terraces; Edgewater - Florida Shores	
Budget	Source of Funding	Dollar Amount
	NSP3	\$717,629
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$717,629	
Performance Measures	7 housing units acquired, rehabilitated and resold to households whose incomes do not exceed 50% or less of the area median income.	
Projected Start Date	03/01/2011	
Projected End Date	03/01/2016	
Responsible Organization	Name	Diana Phillips
	Location	110 W. Rich Avenue, DeLand, Florida 32720
	Administrator Contact Info	Diana Phillips, 386-736-5955, dphillips@co.volusia.fl.us

Activity Number 4	
Activity Name	Acquisition and Rehabilitation for Rental - Very-low Income Set Aside
Use	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/> Eligible Use C: Land Banking
	<input type="checkbox"/> Eligible Use D: Demolition
<input type="checkbox"/> Eligible Use E: Redevelopment	
CDBG Activity or Activities	Acquisition - 24 CFR 570.201(a); Rehabilitation - 24 CFR 570.202
National Objective	Low-Income Housing to Meet 25% Set-Aside (LH25)
Activity Description	This activity will assist the areas of greatest need with high rates of

strength of the local market for sale of single family residences in the proposed NSP 3 target cities, as summarized below:

Area	Number of homes for sale	Number of homes recently sold	Median sales price	Year over year change in median price
Deland - 32720	373	213	\$110,000	-17.8%
Orange City - 32763	235	173	\$85,000	0%
Edgewater - 32141	494	199	\$115,500	+10%
Holly Hill - 32117	259	199	\$52,500	-30%

* Data provided by Trulia.com as of December 13, 2010

- Home sales market data provided by the West Volusia Association of Realtors as of December 2009 reflected similar trends as the data summarized above from the Trulia.com website. However, this data showed that the average days on market for West Volusia had decreased by 33.9% from 2008 (decreasing from 170 days to 112 days), which reflects a positive trend for continued home sales.

Housing affordability:

- According to the National Association of Realtors, the Volusia County metropolitan area is experiencing a very high level of homeownership affordability. For the third quarter of 2010, in Volusia County the ratio of monthly mortgage payment to income was 8.2%, as compared with an average of 14.3% for the United States as a whole. In 2008, the affordability rate for Volusia County was 9.8%, indicating that homeownership is even more affordable in the county than two years ago.

Rental market:

- Managers of multi-family affordable housing projects located in Volusia County reported that their rental occupancy rates had decreased from near capacity in 2008, and that increased marketing and "rent specials" had become necessary to secure rentals.

Employment:

- According to the Volusia County Economic Development 2010 Quarter 3 report, unemployment for 2010 year to date had fallen by 2.5%.
- As reported by the National Association of Realtors, although the Volusia County metropolitan area shows that unemployment is higher than the national average for the 3rd quarter of 2010, the local employment growth is respectable as compared to other markets.

As outlined above, the local housing market analysis conducted by

Community Assistance supports the use of NSP3 funds for acquisition and rehabilitation of foreclosed homes by developers that are selected by the grantee with the property management experience and capacity to provide permanent rental housing. The market data shows that the use of NSP3 funds for rental housing was most appropriate in the Holly Hill Nova East neighborhood, due to their higher rate of tenant occupancy, access to public transportation and proximity to employment centers.

The procedures that Volusia County undertook to create preferences for the development of affordable rental housing with NSP3 funds involved the review of the local housing market analysis, with particular attention to the rates of homeownership, rental occupancy, employment, wages, market rents, and other factors for each of the proposed NSP 3 target areas and countywide. The County also considered other sources of funds for the development of rental housing in the community. A preference for the development of affordable rental housing in the Holly Hill Nova East neighborhood was established to take advantage of the higher demand for decent rental housing in this NSP3 neighborhood, and because of the proximity of this neighborhood to public transportation and employment centers. Furthermore, Volusia County provided in the NSP3 Activity Description that homes that are purchased for resale as homeownership housing may be converted to rental housing or offered through a lease-purchase option if homeownership does not present a feasible alternative due to future changes in the housing market.

The Community Assistance Division, in cooperation with the County's Purchasing and Contracts Division, will solicit developer partners from the organizations that are members of the Continuum of Care, Community Housing Development Organizations and other non-profits organizations with a mission to provide affordable housing ("NSP Rental Partners"). The organizations chosen must have a proven track record in property management for low-income households. Community Assistance will provide the NSP Rental Partners with information about foreclosed homes in the target areas. The NSP Rental 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 Partner will negotiate with the lender(s) to obtain the maximum reasonable discount for use in the program, with a 1% discount from the appraised value as the minimum discount.

Community Assistance will provide funding as a deferred loan at 0% interest for a 15 year term with a recorded mortgage for selected NSP Rental 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. Community Assistance will limit the number of properties that the NSP Rental Partners can obtain based on their capacity. Community Assistance will notify NSP Rental Partners that they

	<p>have been approved to acquire a specific property.</p> <p>To ensure continued affordability, housing units assisted acquired under this activity will have a declaration of covenants and restrictions recorded against the properties for a 15 year term. As long as the NSP Rental Partner maintains the property for 15 years as an affordable rental property for households with incomes of 50% or less of AMI at the initial lease-up, the loan will remain deferred for the term and released at the conclusion of affordability period.</p> <p>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.</p> <p>Volusia County will require the Rental Partners, to the maximum extent possible, to develop and implement a plan to provide for the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the projects.</p>	
Location Description	Holly Hill - Nova East	
Budget	Source of Funding	Dollar Amount
	NSP3	\$200,000.00
	(Other funding source)	\$
	(Other funding source)	\$
Total Budget for Activity	\$200,000.00	
Performance Measures	2 housing units acquired, rehabilitated and rented to households whose incomes do not exceed 50% or less of the area median income.	
Projected Start Date	03/01/2011	
Projected End Date	03/01/2016	
Responsible Organization	Name	County Of Volusia, Community Assistance
	Location	110 W. Rich Avenue, Deland FL 32720
	Administrator Contact Info	Diana Phillips, 386-736-5955, dphillips@co.volusia.fl.us