

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): CITY OF DELTONA <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: LORI SERINO
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The use of the Neighborhood Stabilization Program (NSP) grant is a substantial amendment to the City of Deltona's Five-Year (2008-2012) Consolidated Plan and One-Year (2008/2009) Action Plan. The NSP is a special Community Development Block Grant (CDBG) allocation to address the problems of abandoned and foreclosed homes.

Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA) established the need, targets the geographic areas, and limits the eligible uses of NSP funds.

Treating the NSP as a substantial amendment will expedite the distribution of NSP funds, while ensuring citizen participation on the specific use of the funds. HUD is waiving the consolidated plan regulations to the extent necessary to adjust reporting to fit the requirements of HERA. The waivers, alternative requirements, and statutory changes apply only to the grant funds appropriated under HERA and not to the use of regular formula allocations of CDBG funds, even if they are used in conjunction with NSP funds for a project. They provide expedited program implementation and implement statutory requirements unique to this appropriation.

The substantial amendment is due to HUD December 1, 2008; as required, the City will use the Disaster Recovery Grant Reporting System (DRGR) for submission of the Action Plan and all subsequent performance reports after receiving the NSP grant.

A. AREAS OF GREATEST NEED

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

Response:

In order to receive the NSP grant of \$6,635,909 the City of Deltona prioritized the areas of greatest need within the City, including those

- 1) With the greatest percentage of foreclosures,
- 2) With the highest percentage of homes financed by subprime mortgage related loans, and;
- 3) identified as likely to face a significant rise in the rate of home foreclosures.

The following table lists the city by census tract and block group, indicates the percentage of area at or below 120% of the area median income (AMI), estimated foreclosure and abandonment risk score developed by HUD in targeting the areas of greatest need within their jurisdictions, percentage of high cost loans for each block group, and their predicted rates of foreclosures.

Census Tract	Blkgrp	Estimated foreclosure abandonment risk score	Percent 120 AMI	HMDA hi-cost Loan Rate	Predicted 18 mo. underlying problem foreclosure rate
091001	3	10	0.0%	33.9%	8.8%
091001	3	10	57.5%	33.9%	8.8%
091006	1	10	62.0%	43.8%	10.7%
091006	2	10	69.5%	43.8%	10.7%
091006	3	10	62.0%	43.8%	10.7%
091006	4	10	60.3%	43.8%	10.7%
091006	5	10	71.3%	43.8%	10.7%
091007	1	10	70.0%	41.6%	10.3%
091007	2	10	69.4%	41.6%	10.3%
091007	3	10	67.5%	41.6%	10.3%
091007	4	10	63.9%	41.6%	10.3%
091007	5	10	59.0%	41.6%	10.3%
091007	6	10	83.3%	41.6%	10.3%
091009	1	10	71.0%	48.8%	11.6%
091009	1	10	64.8%	48.8%	11.6%
091009	2	10	66.8%	48.8%	11.6%
091009	3	10	84.0%	48.8%	11.6%
091009	4	10	56.1%	48.8%	11.6%
091010	1	9	0.0%	37.7%	9.4%
091010	1	9	60.8%	37.7%	9.5%
091010	2	9	54.2%	37.7%	9.5%
091010	3	9	59.0%	37.7%	9.5%
091010	4	10	33.3%	37.7%	9.5%
091011	1	10	68.0%	46.7%	11.2%
091011	1	10	53.8%	46.7%	11.2%
091011	2	10	55.9%	46.7%	11.2%
091011	3	10	74.6%	46.7%	11.2%
091011	4	10	57.4%	46.7%	11.2%
091012	1	10	60.6%	42.3%	10.4%
091012	2	10	50.8%	42.3%	10.4%
091012	3	10	64.0%	42.3%	10.4%
091012	4	10	33.5%	42.3%	10.4%
091013	2	10	64.7%	44.3%	10.8%
091013	1	10	53.4%	44.3%	10.8%
091013	2	10	66.0%	44.3%	10.8%
091013	3	9	0.0%	44.3%	10.8%
091014	3	9	0.0%	41.0%	10.2%
091014	4	9	58.4%	41.0%	10.0%
091014	1	9	61.4%	41.0%	10.2%
091014	2	9	63.9%	41.0%	10.2%

091014	3	10	33.3%	41.0%	10.2%
Source: HUD NSP Website: http://www.huduser.org/publications/commdevl/nsp/nsp_fc_a-f.html					

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.

Response:

The City of Deltona will comply with Section 2301(c)(2) of HERA by prioritizing distribution of funds based on 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.

The following table illustrates the areas where the city will prioritize distribution and uses of funds.

Tract	blkgrp	Estimated foreclosure abandonment_risk_score	Percent_lt_120_AMI	HMDA_hi_cost_loan_rate	predicted_18_mo underlying problem foreclosure_rate
091009	1	10	71.0%	48.8%	11.6%
091009	1	10	64.8%	48.8%	11.6%
091009	2	10	66.8%	48.8%	11.6%
091009	3	10	84.0%	48.8%	11.6%
091009	4	10	56.1%	48.8%	11.6%
091011	1	10	68.0%	46.7%	11.2%
091011	2	10	53.8%	46.7%	11.2%
091011	3	10	55.9%	46.7%	11.2%
091011	4	10	74.6%	46.7%	11.2%
091013	1	10	64.7%	44.3%	10.8%
091013	2	10	53.4%	44.3%	10.8%
091013	3	10	66.0%	44.3%	10.8%
091006	1	10	62.0%	43.8%	10.7%
091006	2	10	69.5%	43.8%	10.7%
091006	3	10	62.0%	43.8%	10.7%
091006	4	10	60.3%	43.8%	10.7%
091006	5	10	71.3%	43.8%	10.7%
091012	1	10	57.4%	42.3%	10.4%
091012	2	10	60.6%	42.3%	10.4%
091012	4	10	64.0%	42.3%	10.4%
091007	1	10	70.0%	41.6%	10.3%
091007	2	10	69.4%	41.6%	10.3%
091007	3	10	67.5%	41.6%	10.3%

091007	4	10	63.9%	41.6%	10.3%
091007	5	10	59.0%	41.6%	10.3%
091007	6	10	83.3%	41.6%	10.3%
091001	3	10	57.5%	33.9%	8.8%
091014	1	9	58.4%	41.0%	10.2%
091014	2	9	61.4%	41.0%	10.2%
091014	3	9	63.9%	41.0%	10.2%
091010	1	9	60.8%	37.7%	9.5%
091010	2	9	54.2%	37.7%	9.5%
091010	3	9	59.0%	37.7%	9.5%

Source: HUD NSP Website:
http://www.huduser.org/publications/commdevl/nsp/nsp_fc_a-f.html

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

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

(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 rent limits used in the NSP are updated annually from the Department of Housing and Urban Development. Affordable means that monthly rents do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in or less of total household income.

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

Response:

The City of Deltona will ensure continued affordability for NSP assisted housing by adopting the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

The maximum HOME rent limits are the lesser of:

1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.11.
2. A rent does not exceed 30% of the adjusted income of family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the units. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

If NSP funds assist a property that was previously assisted with HOME funds, but on which the affordability restrictions were terminated through foreclosure or transfer in lieu of foreclosure pursuant to 24 CFR part 92, the grantee must revive the HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of this notice.

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

Response:

Housing Rehabilitation Standards will comply with all applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, as defined in the 2004 Florida Building Code with 2006 revisions and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties; to include, improvements to increase the energy efficiency or conservation of such homes and properties or to provide a renewable energy source or source or sources for such homes and properties.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income:

Response:

The City is eligible to receive \$6,635,909 in NSP funds, at least 25% or \$1,658,977 must be used for housing individuals and families whose income does not exceed 50 percent of area median income. 100% of the remaining funds must be expended on households at or below 120% AMI or \$4,976,932, (10% of the total allocation may be used for administrative and planning costs, not to exceed \$663,590).

One hundred percent of the NSP funds must be used to benefit individuals and households whose income does not exceed 120% of area median income (AMI), measured as 2.4 times the current Section 8 income limits for households below 50 percent of median income, adjusted for family. NSP shall refer to such households as “low (50% AMI), moderate (80% AMI), and middle-income (120%).”

At least 25% of NSP grant funds must be expended for housing individual households whose incomes do not exceed 50 percent of area median income.

The City of Deltona will expend 25% of the NSP grant to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income through the following activities:

Income levels for eligibility under the NSP program will be verified by calculating the total gross income per household, adjusted for family size based on the Deltona-Daytona Beach FL MSA, in accordance with 24 CFR Section 92.203(b)(1)(2)(3); or census block data for area median income that exceeds 51% or the AMI.

Annual income is a combination of the gross amounts, before any deductions, of earned, unearned asset income of all household members. Annual income is income anticipated to be received in the 12-month period following initial determination of eligibility (or re-examination of income for annual re-certification on rental properties).

Annual Income Inclusions and Annual Income Exclusions are in accordance with: HUD 24 CFR Section 5.609(B):

Deltona-Daytona Beach-Ormond Beach, FL MSA
FY 2008 Income Limits of 50% of HUD Area Median Income

<u>1 person household</u>	<u>2 person household</u>	<u>3 person household</u>	<u>4 person household</u>	<u>5 person household</u>	<u>6 person household</u>
18300	20900	23550	26150	28250	30350

FY 2008 Income Limits of 120% of HUD Area Median Income

<u>1 person household</u>	<u>2 person household</u>	<u>3 person household</u>	<u>4 person household</u>	<u>5 person household</u>	<u>6 person household</u>
43950	50200	56500	62750	67800	72800

[Source: <http://www.huduser.org/publications/commdevl/nsp.html>]

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., < 80% of area median income).

Response:

The City currently has not identified any low/mod housing units for acquisition and relocation activity.

F. PUBLIC COMMENT

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

Response:

In accordance with the City of Deltona's Public Participation Plan a 30 day public comment period is required for a substantial amendment to the consolidated/ action plans. HUD is waiving the requirement for the citizen's participation plan and will allow a 15 day public notice and posting of the proposed plan on the City of Deltona's website at www.deltonafl.gov, click on Housing and Community Development, NSP.

Two public hearings are scheduled for the purpose of receiving input from the public regarding the proposed amendments. The public hearings are to be held at the City Hall located at 2345 Providence Blvd., Deltona, FL 32725. The first public hearing will be held on November 21, 2008, 6:30 PM; and the second public hearing during a special City Commission meeting scheduled for November 24, 2008, 6:00 PM.

After the 2nd public hearing, staff will request City Commission approval and authorization to submit to the U.S. Department of Housing and Urban Development on or before December 1, 2008.

As of submission of this document, no public comments have been received.

G. *NSP ACTIVITY*

(1) Activity Name: **PURCHASE REHABILITATION**

(2) Activity Type: NSP Eligible Activity: §2301(c)(3)(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 Activity: Housing

- 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition
 - (i) Relocation
 - (n) Direct homeownership assistance to persons whose incomes do not exceed 120% of median income.

- 24 CFR 570.202 Eligible rehabilitation and preservation activities for homes and other residential properties. Note that rehabilitation may include counseling for those seeking to take part in the activity.

(3) National Objective:

Benefit Low and Moderate Income Persons (≤ 120% of area median income)

(4) Activity Description:

§2301(c)(3)(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;

This activity will assist income qualified persons at or below 120% AMI with the purchase of a home that was previously abandoned or foreclosed and rehabilitated to City and County code.

Priority funding will be given to households that are at or below 50% AMI and presumed benefit clients; seniors, special need population.

(5) Location Description: (Housing and Economic Recovery Act §2301(c)(2))
Census tract and block groups identified by HUD with the greatest foreclosure and abandonment risk, rated with a score of 9 and 10 that are at or below 120% AMI. See Section A and B for specific block groups.

Source: http://www.huduser.org/publications/commdevl/nsp/nsp_fc_a-f.html

(6) Performance Measures:

Objectives: Providing Decent Housing

Outcomes: Affordability

Housing Units Served

50% - Four (4)

80% - Six (6)

120%- Five (5)

(7) Total Budget: NSP Grant \$1,500,000

(8) Responsible Organization: The City of Deltona, Community Development Office

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not-for-profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

(9) Projected Start Date: On or before February 2009

(10) Projected End Date: On or before July 30, 2013

(11) Specific Activity Requirements: For acquisition activities, include: discount rate:

- For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property.

- For purchase transactions in the aggregate, the average purchase discount depends on how the purchase discount for an individual property is determined.
 - The average purchase discount shall be at least 10% if the State, unit of general local government, or subrecipient determines the discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5%).
 - Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period.
 - Carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest.
 - If this methodology is not used, the minimum average discount shall be at least 15%.

For financing activities, include: range of interest rates:

- The City of Deltona will provide 1st mortgage at 0-4%, and 2nd mortgages zero (0%) interest, deferred forgivable loan for a term of up to 20 years.

For housing related activities, include: duration or term of assistance;

Homeownership

<u>NSP amount per unit</u>	<u>Minimum period of affordability in years</u>
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years
Reconstruction	20 Years

Rental

Two year rental assistance providing they are enrolled in school full or part time to an accredited college and will complete said degree or certification to allow self-sufficiency at the end of the term.

Rental Rates:

The City of Deltona will ensure continued affordability for NSP assisted housing by adopting the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

The maximum HOME rent limits are the lesser of:

1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.11.

2. A rent does not exceed 30% of the adjusted income of family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the units. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

Tenure of Beneficiaries:

- The low interest or no interest deferred forgivable loans shall immediately become due and payable to the City if any of the following occurs:
- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if married couple, survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Rental/Homeownership

- a description of how the design of the activity will ensure continued affordability. Rental developments will be deed restricted to ensure affordability of the housing stock for a term no less than 20 years.
- Homeownership loans will be secured with a 1st or 2nd mortgage for a term of up to 20 years.

(1) Activity Name: **DEMOLITION**

(2) Activity Type:

NSP Eligible Activity: §2301(c)(3)(D) *demolish blighted structures;*

CDBG Eligible Activity: 24 CFR 570.201 (d) Clearance, for blighted structures only.

(3) National Objective: Benefit Low and Moderate Income Persons (\leq 120% of area median income)

The national objectives related to prevention and elimination of slums and blight and addressing urgent community development needs (24 CFR 570.208(b) and (c) and 570.483(c) and (d)) are not applicable to NSP-assisted activities.

(4) Activity Description: *In accordance with §2301(c)(3)(D) demolish blighted structures.*

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

The demolition of blighted structures will benefit persons at or below 120% AMI. Property that has had structures removed will be redeveloped, land banked, or a housing unit will be constructed for rental or resale housing unit.

Priority funding will be given to households that are at or below 50% AMI and presumed benefit clients; seniors, special need population.

(5) Location Description: (Housing and Economic Recovery Act §2301(c)(2))
Census tract and block groups identified by HUD with the greatest foreclosure and abandonment risk, rated with a score of 9 and 10 that are at or below 120% AMI. See Section A and B for specific block groups.

[Source: http://www.huduser.org/publications/commdevl/nsp/nsp_fc_a-f.html]

(6) Performance Measures
Objectives: Providing Decent Housing
Outcomes: Affordability

Housing Units Served
50% - 15
80% - 20
120% - 15

(7) Total Budget: 2008/2009 NSP \$500,000

(8) Responsible Organization: The City of Deltona, Community Development Office

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not-for-profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

(9) Projected Start Date: On or before February 2009

(10) Projected End Date: On or before July 30, 2013

(11) Specific Activity Requirements:
• For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property.

- For purchase transactions in the aggregate, the average purchase discount depends on how the purchase discount for an individual property is determined.
 - The average purchase discount shall be at least 10% if the State, unit of general local government, or subrecipient determines the discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5%).
 - Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period.
 - Carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest.

If this methodology is not used, the minimum average discount shall be at least 15%.

For financing activities, include:

- The demolition activity will be combined with other strategies in the NSP program for construction of additional housing units, redevelopment or parks. Financial mechanisms for this program will in accordance with the aforementioned strategies.

For housing related activities, include: N/A

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- A description of how the design of the activity will ensure continued affordability. Deed restrictions on the first or second mortgages that provides affordability for up to 20 years.

(1) Activity Name: **REDEVELOPMENT**

(2) Activity Type:

NSP Eligible Activities: §2301(c)(3)(E) *redevelop demolished or vacant properties*

CDBG Eligible Activities

- 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition
 - (c) Public facilities and improvements

(e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties

(i) Relocation

(n) Direct homeownership assistance (for persons whose income does not exceed 120% of median income)

- 24 CFR 570.204 Community based development organizations
- New housing construction

(3) National Objective: Benefit Low and Moderate Income Persons (\leq 120% of area median income)

(4) Activity Description: Funding associated with costs, such as sales costs, closing costs, and reasonable developer's fees, related to NSP-assisted housing, rehabilitation, or construction activities

- New construction of housing and building infrastructure for housing is eligible.
- Re-developing property to be used as rental housing.

This activity will assist income qualified persons at or below 120% AMI with the purchase of a home from that was constructed from property that was redevelop from demolished or vacant properties. Priority will be given to qualified persons at or below 50% AMI.

(5) Location Description:

(Housing and Economic Recovery Act §2301(c)(2)) Census tract and block groups identified by HUD with the greatest foreclosure and abandonment risk, rated with a score of 9 and 10 that are at or below 120% AMI. See Section A and B for specific block groups.

[Source: http://www.huduser.org/publications/commdevl/nsp/nsp_fc_a-f.html]

(6) Performance Measures

Objectives: Providing Decent Housing

Outcomes: Affordability

Number of Households Served at or under AMI

50% - Four (5)

80% - Six (10)

120%- Five (5)

(7) Total Budget: NSP Grant \$2,000,000

(8) Responsible Organization: Deltona Community Development Office

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The

sponsors may be a private corporation, a not-for-profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

(9) Projected Start Date: no later than February 2009

(10) Projected End Date: no later than July 30, 2013

(11) Specific Activity Requirements:

- For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property.
- For purchase transactions in the aggregate, the average purchase discount depends on how the purchase discount for an individual property is determined.
 - The average purchase discount shall be at least 10% if the State, unit of general local government, or subrecipient determines the discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5%).
 - Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period.
 - Carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest.
 - If this methodology is not used, the minimum average discount shall be at least 15%.

For financing activities, include: range of interest rates

- The City of Deltona will provide 1st mortgage at 0-4%, and 2nd mortgages zero (0%) interest, deferred forgivable loan for a term of up to 20 years.
- Developer interest rates will be set at market value or for this strategy (TBD)

For housing related activities, include: duration or term of assistance;

Homeownership

NSP amount per unit

Under \$15,000

\$15,000 to \$40,000

Over \$40,000

Reconstruction

Minimum period of affordability in years

5 Years

10 Years

15 Years

20 Years

Rental

Two year rental assistance to applicants, providing they are enrolled in school full or part time to an accredited college and will complete said degree or certification to allow self-sufficiency at the end of the term.

Tenure of Beneficiaries:

Homeownership

- The low interest or no interest deferred forgivable loans shall immediately become due and payable to the City if any of the following occurs:
- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if married couple, survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Rental

Rental Rates:

The City of Deltona will ensure continued affordability for NSP assisted housing by adopting the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

The maximum HOME rent limits are the lesser of:

1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.11.
2. A rent does not exceed 30% of the adjusted income of family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the units. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

- A description of how the design of the activity will ensure continued affordability. Rental units will be deed restricted to ensure affordability of the housing stock for a term no less than 20 years.
 - Homeownership loans will be secured with a 1st or 2nd mortgage for a term of up to 20 years.

(1) Activity Name: **LAND BANK**

(2) Activity Type:

- *NSP Eligible Activity: §2301(c)(3)(C) establish land banks for homes that have been foreclosed upon*

- *CDBG Eligible Activity:*
 - 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition

(3) National Objective: Benefit Low and Moderate Income Persons (\leq 120% of area median income)

(4) Activity Description: (Housing and Economic Recovery Act §2301(c)(2))

Census tract and block groups identified by HUD with the greatest foreclosure and abandonment risk, rated with a score of 9 and 10 that are at or below 120% AMI. See Section A and B for specific block groups.

[Source: http://www.huduser.org/publications/commdevl/nsp/nsp_fc_a-f.html]

(5) Location Description:

The land bank will serve to purchase properties that have been abandoned or foreclosed upon. The land bank may maintain, assemble, facilitate redevelopment, market, and dispose of the land-banked properties. The City may also maintain abandoned or foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.

(6) Performance Measures

Objectives: Providing Decent Housing

Outcomes: Affordability

Number of Households Served at or under AMI

50% 2

80% 2

120% 1

(7) Total Budget: NSP Grant \$500,000

(8) Responsible Organization: City of Deltona Community Development

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not-for-profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

(9) Projected Start Date: on or before February 2009

(10) Projected End Date: on or before July 31, 2013

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate
- For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property.
- For purchase transactions in the aggregate, the average purchase discount depends on how the purchase discount for an individual property is determined.
 - The average purchase discount shall be at least 10% if the State, unit of general local government, or subrecipient determines the discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5%).
 - Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period.
 - Carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest.
 - If this methodology is not used, the minimum average discount shall be at least 15%.

For financing activities, include: range of interest rates

- The City of Deltona will provide 1st mortgage at 0-4%, and 2nd mortgages zero (0%) interest, deferred forgivable loan for a term of up to 20 years.
- Developer interest rates will be set at market value or for this strategy (TBD)

For housing related activities, include: duration or term of assistance:

<i>Homeownership</i>	<i>NSP amount per unit</i>	<i>Minimum period of affordability in years</i>
	Under \$15,000	5 Years
	\$15,000 to \$40,000	10 Years
	Over \$40,000	15 Years
	Reconstruction	20 Years

Rental

Two year rental assistance to applicants, providing they are enrolled in school full or part time to an accredited college and will complete said degree or certification to allow self-sufficiency at the end of the term.

Tenure of Beneficiaries:

Homeownership

- The low interest or no interest deferred forgivable loans shall immediately become due and payable to the City if any of the following occurs:
- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if married couple, survivor dies; or
- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Rental

Rental Rates:

The City of Deltona will ensure continued affordability for NSP assisted housing by adopting the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

The maximum HOME rent limits are the lesser of:

3. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.11.
 4. A rent does not exceed 30% of the adjusted income of family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the units. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.
- A description of how the design of the activity will ensure continued affordability. Rental units will be deed restricted to ensure affordability of the housing stock for a term no less than 20 years.
 - Homeownership loans will be secured with a 1st or 2nd mortgage for a term of up to 20 years.

(1) Activity Name: **FINANCIAL MECHANISMS**

(2) Activity Type:

- NSP Eligible Activity: §2301(c)(3)(A) *establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties,*
- CDBG Eligible Activity: As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.
 - As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.

(3) National Objective: Benefit Low and Moderate Income Persons (\leq 120% of area median income)

(4) Activity Description: Financing mechanisms used to carry out CDBG/NSP eligible activities for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate- income homebuyers;

(5) Location Description:

Census tract and block groups identified by HUD with the greatest foreclosure and abandonment risk, rated with a score of 9 and 10 that are at or below 120% AMI. See Section A and B for specific block groups.

[Source: http://www.huduser.org/publications/commdevl/nsp/nsp_fc_a-f.html]

(6) Performance Measures

Number of Households Served at or under AMI
50% 4
80% 6
120% 5

(7) Total Budget: (Include public and private components) \$1,500,000

(8) Responsible Organization: City of Deltona, Community Development

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not-for-profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

(9) Projected Start Date: on or before February 2009

(10) Projected End Date: on or before July 31, 2013

(11) Specific Activity Requirements:

For acquisition activities, include: *discount rate*

- For individual purchase transactions, the purchase discount is to be at least 5% from the current market appraised value of the home or property.
- For purchase transactions in the aggregate, the average purchase discount depends on how the purchase discount for an individual property is determined.

- The average purchase discount shall be at least 10% if the State, unit of general local government, or subrecipient determines the discount for each purchase transaction through use of a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5%).
 - Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period.
 - Carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest.
- If this methodology is not used, the minimum average discount shall be at least 15%.

For financing activities, include: range of interest rates

- The City of Deltona will provide 1st mortgage at 0-4%, and 2nd mortgages zero (0%) interest, deferred forgivable loan for a term of up to 20 years.
- Developer interest rates will be set at market value or for this strategy (TBD)

For housing related activities, include: duration or term of assistance;

Homeownership

<i>NSP amount per unit</i>	<i>Minimum period of affordability in years</i>
Under \$15,000	5 Years
\$15,000 to \$40,000	10 Years
Over \$40,000	15 Years
Reconstruction	20 Years

Rental

Two year rental assistance to applicants, providing they are enrolled in school full or part time to an accredited college and will complete said degree or certification to allow self-sufficiency at the end of the term.

Tenure of Beneficiaries:

Homeownership

- The low interest or no interest deferred forgivable loans shall immediately become due and payable to the City if any of the following occurs:
- Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
- Homeowner no longer occupies the unit as their principal residence;
- Homeowner dies, or if married couple, survivor dies; or

- Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
- However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

Rental

Rental Rates:

The City of Deltona will ensure continued affordability for NSP assisted housing by adopting the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

The maximum HOME rent limits are the lesser of:

5. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.11.
 6. A rent does not exceed 30% of the adjusted income of family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the units. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.
- A description of how the design of the activity will ensure continued affordability. Rental units will be deed restricted to ensure affordability of the housing stock for a term no less than 20 years.
 - Homeownership loans will be secured with a 1st or 2nd mortgage for a term of up to 20 years.

(1) Activity Name: **ADMINISTRATIVE AND PLANNING COSTS**

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

(3) National Objective: N/A

(4) Activity Description: (Housing and Economic Recovery Act §2301(c)(3))

- An amount of up to 10% of an NSP grant provided to a jurisdiction and up to 10% of program income earned may be used for general administration and planning activities as defined at 24 CFR 570.205 and 206.
- Activity delivery costs, as defined in 24 CFR 570.206, may be charged to the particular activity performed above and will not count as general administration and planning costs.

(5) Location Description: N/A

(6) Performance Measures: N/A

(7) Total Budget: NSP Grant, \$635,909

(8) Responsible Organization: City of Deltona, Community Development

The City of Deltona may choose a sponsor to assist in the administration of this strategy by advertising using the City of Deltona purchase and procurement guidelines. The sponsors may be a private corporation, a not-for-profit corporation or a community based organization. Selection is based on the sponsor's ability to proceed, past experience in related fields, and performance.

(9) Projected Start Date: On or before February 2009

(10) Projected End Date: On or before July 30, 2013

(11) Specific Activity Requirements: N/A

For acquisition activities, include:

- discount rate

For financing activities, include: N/A

- range of interest rates

For housing related activities, include: N/A

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

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title