

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>Brevard County</u> (<i>identify lead entity in case of joint agreements</i>)	NSP Contact Person: Gay N. Williams Address: 2725 Judge Fran Jamieson Way, B-103 Telephone: (321) 633-2007 Fax: (321) 633-2026 Email: gay.williams@brevardcounty.us
Jurisdiction Web Address: www.brevardcounty.us/housing/ (<i>URL where NSP Substantial Amendment materials are posted</i>)	

A. AREAS OF GREATEST NEED

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

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

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

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

- Greatest percentage of home foreclosures;
- Highest percentage of homes financed by a subprime mortgage related loan; and
- Areas identified as most likely to face a significant rise in the rate of home foreclosures.

Based upon the NSP established criteria Brevard County will initially target the communities of Cocoa, West Cocoa, Central Merritt Island, Melbourne, West Melbourne, Titusville, and Mims. In addition, after a period of nine (9) months following the grant award the County will consider expanding its targeted areas to include local Community Development Block Grant Target Strategy Areas.

Brevard County utilized NSP data from Department of Housing and Urban Development's User Website (www.huduser.org/publications/commdevl/nsp.html) to determine areas for targeting

under this program. Data from this website was reviewed, and areas that scored according to the following criteria were chosen:

1. Estimated foreclosure risk score of 9 or higher,
2. Highest percentage of subprime mortgages as determined by Federal Reserve Home Mortgage Disclosure Act (HMDA) data, and
3. Highest percentage of predicted eighteen month underlying problem foreclosure rate.

Additionally, foreclosed properties will be further targeted within these areas based upon consistency with the County's Affordable and Workforce Housing Incentives Ordinance #07.18.

B. DISTRIBUTION AND USES OF FUNDS

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

Response: Based upon the County's analysis, the cities of Cocoa, West Cocoa, Central Merritt Island, Melbourne, West Melbourne, Titusville, and Mims meet all three (3) stipulated need categories. The NSP funds will be used as described in Section G, in the areas referenced above during the first year after the grant award. One year after the NSP award, the County will consider the use of available NSP funds to expand to other areas if warranted by analysis.

C. DEFINITIONS AND DESCRIPTIONS

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

Response: Brevard County will utilize the description of "Blighted Area" recognized by Florida Statutes 163.340 (8):

- (8) "Blighted area" means an area in which there are a substantial number of deteriorated, or deteriorating structures, in which conditions, as indicated by government-maintained statistics or other studies, are leading to economic distress or endanger life or property, and in which two or more of the following factors are present:
- (a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
 - (b) Aggregate assessed values of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such conditions;

- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- (d) Unsanitary or unsafe conditions;
- (e) Deterioration of site or other improvements;
- (f) Inadequate and outdated building density patterns;
- (g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- (h) Tax or special assessment delinquency exceeding the fair value of the land;
- (i) Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- (j) Incidence of crime in the area higher than in the remainder of the county or municipality;
- (k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- (l) A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality;
- (m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area; or
- (n) Governmentally owned property with adverse environmental conditions caused by a public or private entity.

However, the term "blighted area" also means any area in which at least one of the factors identified in paragraphs (a) through (n) are present and all taxing authorities subject to F.S. 163.387(2)(a) agree, either by interlocal agreement or agreements with the agency or by resolution, that the area is blighted. Such agreement or resolution shall only determine that the area is blighted. For purposes of qualifying for the tax credits authorized in chapter 220, "blighted area" means an area as defined in this subsection.

(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 maximum Affordable Rents shall not exceed the Fair Market Rents (FMR) as published annually by the U.S. Department of Housing and Urban Development for the Palm Bay-Melbourne-Titusville Area (MSA). The current rents are listed below:

Final FY 2009 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Final FY 2009 FMR	\$601	\$735	\$866	\$1,167	\$1,301

Source:

http://www.huduser.org/datasets/fmr/fmrs/fy2009_code/2009summary.odn?inputname=METRO37340M37340*Pal+Bay-Melbourne-Titusville%2C+FL+MSA&data=2009&fmrtype=Final

The County will review and approve the rents charged on an annual basis.

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

Response: Brevard County will ensure long term affordability through the use of a Land Use Restriction Agreement (LURA) which will be recorded against the property. If an owner, who has been assisted through this program, transfers title to the property before the affordability period expires, the assistance provided by the County will be subject to recapture. The County will annually monitor rental developments 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. Rental units created or developed through the use of NSP funds will have a minimum 20 year affordability period.

All properties receiving NSP funding will be secured by a recorded mortgage or land use agreement on the property, in favor of the County. When a Housing Partner sells a property to an eligible homebuyer, a portion of the mortgage may be transferred to the applicant in the form of down payment and/or closing cost assistance.

The County will follow the affordability period defined through local First Time Home Buyer Program Policy 007. The minimum affordability period is listed below:

- Up to \$25,000 = 10 years
- \$25,001 - \$35,000 = 20 years
- Over \$35,001 = 30 years

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

Response: Brevard County will utilize the State of Florida Department of Community Affairs Building Code (<http://www.floridabuilding.org/BCISOld/bc/default.asp>) for all NSP assisted activities. Additionally, the County will utilize HOUSING DEVELOPER PRO (<http://www.communitydevelopmentsoftware.com/hdp.asp>) to write rehabilitation specifications by location and trade.

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: \$1,327,959.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response: Brevard County anticipates that the majority of funding set aside for households at or below 50% of Area Median Income (AMI) will be for rental housing; however, homeownership opportunities will not be excluded. The County will require that any potential multifamily development acquisitions be reviewed by the Housing and Human Services Department for financial feasibility.

The County may provide other incentives for housing partners to assist special needs populations and who design creative mechanisms/programs to provide homeownership to low income households.

In the event that a single family housing unit does not sell within a specified time period (to be identified in the subrecipient agreement) the County will require the unit to be rented to an income eligible household.

E. ACQUISITIONS & RELOCATION

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

If so, include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ 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).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response: As part of Brevard County's pre-development review process on foreclosed homes, if the cost to rehabilitate the unit is greater than fifty percent (50%) of the acquisition price, and/or the cost of acquisition and rehabilitation exceeds one hundred percent (100%) loan-to-value, the County will evaluate the property to determine if demolition is an option. If demolition is economically feasible, the County will use NSP Funds and/or other County affordable housing funds to construct a new unit.

- The County has set a benchmark to fund the acquisition and demolition of approximately 14 housing units for households at or below 80% of area median income.

- Low Income Units = 7
- Moderate Income Units = 7
- Middle Income Units = 0

It is anticipated that the acquisition process will begin in January 2009 followed by the rehabilitation assistance process if needed during the year. The project will be considered completed upon either (1) transfer to an eligible homeowner or (2) when the unit is rented to an eligible tenant. All activities are anticipated to be completed by and will continue through the end of the NSP program period.

Activity	Low Income	Moderate Income	Middle Income
Acquisition	11	25	6
Rehabilitation	11	25	6
Demolition	7	7	0
Sale of Properties	2	10	2
Land Banking	3	1	1
Redevelopment	3	1	1

F. PUBLIC COMMENT

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

Response:

THIS SECTION WILL BE COMPLETED UPON THE END OF THE PRESCRIBED PUBLIC HEARING PERIOD.

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

Brevard County intends to develop a Request for Qualification(s) (RFQ) process for partners to assist with the acquisition, rehabilitation, management, and disposition of properties. Such partners may include, but are not limited to, housing non-profits/for-profits, lenders, title companies, asset/property managers, appraisers, real estate companies, contractors (including demolition contractors), and inspection firms. Capacity and proven track record will be among the critical areas that the County reviews in selecting non-profit and for-profit partners.

Activity 1: Acquisition of Foreclosed Properties

(1) Activity Name: Acquisition of Foreclosed Properties

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

- Eligible Activities – 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition
 - (i) Relocation
 - (n) Direct homeownership assistance
- 24 CFR 570.202 – Eligible rehabilitation and preservation activities for homes and other residential properties

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

- Activities benefitting Low-Moderate Income Persons – Housing Activities – 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate, and middle income national objective of the assisted activity:
 - Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH).

(4) Projected Start Date: January 15, 2009

(5) Projected End Date: July 30, 2013

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940; Gay N. Williams, Department Director. The County will solicit organizations/partners for participation in the program through a Request for Qualifications process.

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

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

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Brevard County's Housing and Human Services Department will work with lenders to acquire homes that have been foreclosed, vacant for at least ninety (90) days, and are on the lender's or investor's current inventory. Once foreclosed properties have been identified in the target areas, the County will negotiate with the lender(s) to obtain the maximum reasonable discount (not less than 15%) for use in the program.

The County will develop a list of approved partners via the Request for Qualifications process and will obtain a list of negotiated available lender owned properties. Qualified Housing Partners will be provided listings of the available properties in the targeted areas identified by the County. The County will provide funding at 0% interest for approved Housing Partners to acquire the properties. The County will also provide funding for the rehabilitation of the property at 0% interest for one year, if sold to an eligible homebuyer after rehabilitation (see "Rehabilitation Activity"). The County will limit the number of properties that the Housing Partners can obtain based upon their capacity. The County will notify approved Housing Partners of the homes to be acquired.

Single family and multifamily housing units assisted under this activity will have a recorded mortgage and Land Use Restriction Agreement (LURA) on the properties.

For single family homes that are acquired and subsequently sold, the County may leave a portion of the NSP acquisition funds behind in the form of a soft-second, 0% deferred payment loan to the income eligible household. The amount of assistance that will remain as a deferred payment

loan will be tiered according to income and need. As long as the borrower/owner maintains the property as their principal homestead residence and maintains the terms/conditions of the second mortgage during the period of affordability, the loan will remain deferred until the expiration of the lien.

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

The County will allow for 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 and rehabilitation shall be considered “Program Delivery” costs and will be charged to the individual projects assisted.

No profit may be earned on the sale or rental of any property acquired or rehabilitated through the use of NSP funds.

Activity 2: Housing Rehabilitation of Acquired Foreclosed Homes

(1) Activity Name: Housing Rehabilitation

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

- 24 CFR 570.201(m) – Homeownership Assistance
- 24 CFR 570.202(a) – Eligible rehabilitation and preservation activities for homes and other residential properties
- 24 CFR 570.206 – Activity delivery costs for an eligible activity

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

- Activities benefitting Low-Moderate Income Persons – Housing Activities – 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate, and middle income national objective of the assisted activity:
 - Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH).

(4) Projected Start Date: January 15, 2009

(5) Projected End Date: July 30, 2013

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940; Gay N. Williams, Department Director. The County will solicit organizations/partners for participation in the program through a Request for Qualifications process.

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

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

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

The NSP will rehabilitate both single family and multifamily residential properties. Costs of the rehabilitation can include labor, materials, supplies, permits, lead paint assessment, abatement and clearance, barrier removal, energy efficiency measures, asbestos removal, and program delivery. Rehabilitation projects involving one or more units in a multi-unit building owned as a condominium, will be limited to the particular unit(s) and will not involve rehabilitation of portions of the property that are held in common ownership.

Housing units acquired through the use of NSP funds will require rehabilitation in most cases. The County will provide NSP funds for housing rehabilitation to bring the housing units up to the State of Florida Department of Community Affairs Building Code (<http://www.floridabuilding.org/BCISOld/bc/default.asp>) and will utilize HOUSING DEVELOPER PRO (<http://www.communitydevelopmentsoftware.com/hdp.asp>) to write job specifications by location and trade. Funding will be provided through a secured lien on the property at 0% interest.

If the cost to rehabilitate the unit(s) is greater than fifty percent (50%) of the acquisition price, and/or the cost of acquisition and rehabilitation exceeds one hundred percent (100%) loan-to-

value, the County will pay for the evaluation of the property to determine if demolition is an option.

A portion of the NSP funds used for Housing Rehabilitation may remain in the home when it is sold to an income eligible household in the form of down payment assistance. Down payment assistance will be in the form of a secured 0% interest loan that shall be due and payable should the property cease to be the primary residence of the borrower, or if the home is rented, sold, or title is transferred.

It is anticipated that a portion of the NSP funds associated with this activity will be for households earning at or below 50% of area median income (AMI). This could be in the form of a rehabilitated single family or multifamily unit. If a housing unit is rented, it is critical that any chosen Housing Partner has a proven track record in property management. The County will require that any multifamily developments proposed for acquisition be reviewed and approved by Housing & Human Services Department for financial feasibility.

The County may provide other incentives for Housing Partners to assist special needs populations, which may include the homeless, disabled, victims of domestic violence, and others.

The County will provide incentives for improving energy efficiency, conservation, or providing renewable energy source(s). These type of features will provide for long-term affordability and increased sustainability and attractiveness of housing and neighborhoods.

All housing acquired through this program must meet all local building codes (including the Standard Southern Building Code) and ordinances pertaining to providing housing that is decent, safe, sanitary, and fit for habitation.

The State of Florida Department of Community Affairs Building Code (<http://www.floridabuilding.org/BCISOld/bc/default.asp>) will be used to describe in detail the specifications for the rehabilitation work to bring substandard housing into compliance, which defines the minimum housing code for Brevard County.

The County will allow for 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 and rehabilitation shall be considered “Program Delivery” costs and will be charged to the individual projects assisted.

Activity 3: Demolition of Acquired Foreclosed Homes

(1) Activity Name: Demolition and Clearance of Foreclosed Homes

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

- 24 CFR 570.201(d) – Clearance and Demolition
 - Brevard County will obtain approval from HUD before demolishing any HUD-owned properties

- 24 CFR 570.202(M) – Construction Activities

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

- Activities benefitting Low-Moderate Income Persons – Housing Activities – 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate, and middle income national objective of the assisted activity:
 - Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH).

(4) Projected Start Date: January 15, 2009

(5) Projected End Date: July 30, 2013

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940; Gay N. Williams, Department Director. The County will solicit organizations/partners for participation in the program through a Request for Qualifications process.

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

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

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Housing units acquired through the County's program, which are not economically feasible to rehabilitate, and/or pose a health/safety threat, may be demolished. Demolished homes may be placed in trust to be subsequently provided to a Housing and Human Services Department Housing Partner consistent with the County's Affordable and Workforce Housing Incentive Ordinance #07.18. Another option under this program is a Housing Partner acquiring, demolishing, and constructing a new home on the property. The County will provide the funds in the form of a *grant* for the demolition. The County may subsequently provide funding for the construction of a new home using NSP funds or other County affordable housing grant funds. If the County provides funding for the construction, it will be in the form of a secured loan against the property at a 0% interest rate and through a Land Use Restriction Agreement (LURA), if necessary.

Activity 4: Sale of Acquired Foreclosed Homes

(1) Activity Name: Sale of Acquired Foreclosed Homes

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

- Eligible Activities – 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition
 - (i) Relocation
 - (n) Direct homeownership assistance

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

- Activities benefitting Low-Moderate Income Persons – Housing Activities – 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate, and middle income national objective of the assisted activity:
 - Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH).

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940; Gay N. Williams, Department Director. The County will solicit organizations/partners for participation in the program through a Request for Qualifications process.

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

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

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

To enable affordability, down payment assistance may be provided to the homebuyer. The funding may reduce interest rates, mortgage principal amounts, provide down payment assistance as a second mortgage, and pay the purchaser's reasonable closing costs. Homebuyer counseling will be required before the sale to a homebuyer. All parties on the deed will be required to have a minimum of eight (8) hours of counseling.

The County will establish a period of time in which the Housing Partner(s) must sell the acquired home. Failure to sell the home in a timely manner will result in the home being converted into a rental unit to be managed by a qualified not-for-profit or Property Management agency that has been approved by the County through a RFQ process.

The County will use the affordability period defined through local policy. The minimum affordability period is listed below:

- Up to \$25,000 = 10 years
- \$25,001 - \$35,000 = 20 years
- Over \$35,000 = 30 years

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

Other Program Requirements

- Homebuyer Counseling – Any NSP assisted homebuyer must receive at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency prior to obtaining a mortgage loan.
- Lender Requirements – The lender of any first mortgage loan must adhere to the accepted standards established by the First Time Home Buyer Program, as amended from time to time. A summary of the lending guidelines is located at Exhibit B.

Activity 5: Land Banking of Acquired Foreclosed Properties

(1) Activity Name: Land Banking

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

- Eligible Activities – 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition
- 24 CFR 570.201 – Land banking for homes that have been foreclosed

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

- Activities benefitting Low-Moderate Income Persons – Housing Activities – 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate, and middle income national objective of the assisted activity:
 - Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH).

(4) Projected Start Date: January 15, 2009

(5) Projected End Date: July 30, 2013

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940; Gay N. Williams, Department Director. The County will solicit organizations/partners for participation in the program through a Request for Qualifications process.

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

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

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Land banking and subsequent redevelopment of the demolished or vacant property will be for households at or below 120% of area median income. Financing will be provided through a deferred payment loan and newly constructed homes will be made available to income eligible households.

The County will use the affordability period defined through local policy. The minimum affordability period is listed below:

- Up to \$25,000 = 10 years
- \$25,001 - \$35,000 = 20 years
- Over \$35,000 = 30 years

As described previously, the County will ensure continued affordability through the use of a Land Use Restriction Agreement (LURA).

Other Program Requirements

- Homebuyer Counseling – Any NSP assisted homebuyer must receive at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency prior to obtaining a mortgage loan.

- Lender Requirements – The lender of any first mortgage loan must adhere to the accepted standards established by the First Time Home Buyer Program, as amended from time to time. A summary of the lending guidelines is located at Exhibit B.

Activity 6: Redevelop Demolished or Vacant Foreclosed Properties

(1) Activity Name: Redevelopment of Foreclosed Properties

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

- Eligible Activities – 24 CFR 570.201
 - (a) Acquisition
 - (b) Disposition
 - (c) Public Facilities
 - (n) Direct Homeownership Assistance

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

- Activities benefitting Low-Moderate Income Persons – Housing Activities – 24 CFR 570.208(a)(3)
- NSP CDBG activities will meet the low-, moderate, and middle income national objective of the assisted activity:
 - Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income (abbreviated as LMMH).

(4) Projected Start Date: January 15, 2009

(5) Projected End Date: July 30, 2013

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940; Gay N. Williams, Department Director. The County will solicit organizations/partners for participation in the program through a Request for Qualifications process.

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

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

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Land banking and subsequent redevelopment of the demolished or vacant property will be for households at or below 120% of area median income. Financing will be provided through a deferred payment loan and newly constructed homes will be made available to income eligible households.

The County will use the affordability period defined through local policy. The minimum affordability period is listed below:

- Up to \$25,000 = 10 years
- \$25,001 - \$35,000 = 20 years
- Over \$35,000 = 30 years

As described previously, the County will ensure continued affordability through the use of a Land Use Restriction Agreement (LURA).

Other Program Requirements

- Homebuyer Counseling – Any NSP assisted homebuyer must receive at least eight (8) hours of homebuyer counseling from a HUD-approved housing counseling agency prior to obtaining a mortgage loan.
- Lender Requirements – The lender of any first mortgage loan must adhere to the accepted standards established by the First Time Home Buyer Program, as amended from time to time. A summary of the lending guidelines is located at Exhibit B.

Activity 7: Planning and Administration

(1) Activity Name: Redevelopment of Foreclosed Properties

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

- 24 CFR 570.206(1) – Planning and Administration
- 24 CFR 570.206(a)(1) – Planning and Administration

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

N/A

(4) Projected Start Date: September 28, 2008

(5) Projected End Date: July 30, 2013

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940; Gay N. Williams, Department Director.

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

Brevard County – Housing and Human Services Department, 2725 Judge Fran Jamieson Way, B-106, Viera, FL 32940

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

NSP funds will be used to pay reasonable program administration costs related to the planning and execution of the activities listed above. This includes costs related to staffing for overall program management, coordination, monitoring, reporting, and direct and indirect charges.

I. Total Budget: (Include public and private components)

Please see attached Budget (Exhibit “A”)

The County will charge any pre-award costs as part of the preparation of the Substantial Amendment to the Planning and Administration portion of the grant. In addition, all costs such as appraisals, title searches and title insurance, environmental assessments, inspections, development fees, engineering studies and mitigation, market analysis, credit underwriting reports, and associated permits will be charged to each individual project.

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

Brevard County will incorporate performance measures and benchmarks into agreements with approved Housing Partners. This will ensure that funds are expended in a timely manner and that acquired properties are made available for disposition as soon as they are available. All Housing Partners will be monitored annually for compliance. Penalties and/or sanctions will be imposed on non-performing agencies.

- Households at or below 50% of Area Median Income = 21 units
- Households from 51% to 80% of Area Median Income = 33 units
- Households from 81% to 120% of Area Median Income = 7 units

Activity	Low Income	Moderate Income	Middle Income
Acquisition	11	25	6
Rehabilitation	11	25	6
Demolition	7	7	0
Sale of Properties	2	10	2
Land Banking	3	1	1
Redevelopment	3	1	1

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

EXHIBIT "A"

**Brevard County
Neighborhood Stabilization Program Budget**

NSP Allocation:	\$ 5,269,667			
		50% and Below	51 - 120% AMI	
	Amount	Amount	Amount	Total \$
Planning and Administration*	\$ 526,966	\$ -	\$ -	\$ 526,966
Acquisition of Foreclosed Properties	\$ 2,987,902	\$ 746,976	\$ 2,240,926	\$ 2,987,902
Rehabilitation of Foreclosed Properties	\$ 1,280,529	\$ 320,133	\$ 960,396	\$ 1,280,529
Demolition of Acquired Foreclosed Properties	\$ 142,281	\$ 35,571	\$ 106,710	\$ 142,281
Land Banking of Acquired Foreclosed Properties	\$ 142,281	\$ 35,571	\$ 106,710	\$ 142,281
Redevelop Demolished or Vacant Properties	\$ 189,708	\$ 189,708	\$ -	\$ 189,708
Total	\$ 5,269,667	\$ 1,327,959	\$ 3,414,742	\$ 5,269,667

EXHIBIT “B”

Brevard County Neighborhood Stabilization Program Summary of Lending Guidelines

Home buyer interest rate and financing requirements must meet the following criteria:

- The **ACTUAL** amount of assistance will be the **MINIMUM** needed to get the homebuyer into an affordable unit. **NO CLIENT WILL BE OVER-SUBSIDIZED.**
- The homebuyer’s principal, interest, taxes and insurance (“PITI”) payment must be based upon current income and debt. The front and back-end ratios are 34% and 42% respectively. The lesser of the two ratios will be the target price.
- The homebuyer must have the ability to secure a senior mortgage from an institutional first mortgage lender, at no more than one (1%) over the prevailing interest rates. First mortgage loans may be Federal Housing Administration, Conventional, Veteran Affairs Administration, Habitat for Humanity and Rural Development.
- Owner financed or adjustable rate mortgages are not allowed.
- Lenders are requested to first qualify the homebuyer for the maximum first mortgage and then calculate the assistance amount needed. The actual amount of assistance will be the **MINIMUM** cash-on-hand needed to get the homebuyer into an affordable unit based on Brevard County’s First Time Home Buyer Program policies and procedures.