

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): City of Plantation (<i>identify lead entity in case of joint agreements</i>)	NSP Contact Person: Patrick Haggerty Address: 400 NW 73 Avenue Plantation, FL 33317 Telephone: 954-797-2622 Fax: 954-797-2793 Email: phaggerty@plantation.org
Jurisdiction Web Address: www.plantaiton.org (<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 [<http://www.policymap.com/map>], in developing this section of the Substantial Amendment.

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

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

Based on the NSP established criteria, the City of Plantation will initially target the neighborhoods of Park East and Mirror Lakes. Other neighborhoods, including but not limited to, Central Plantation, Plantation Park, Plantation Historic District, and Country Club Estates may be considered based on response in the initial target areas.

The City of Plantation utilized the following data sources for this analysis:
Broward County Property Appraisers Office
HUD NSP Data from HUD User Website

Percentage of Foreclosures

Utilizing data provided by HUD, the City looked at data from FY 2007 to the first half of FY 2008. The data was broken down by census tracts and ranged from 5.9% to 10.8% estimated foreclosures. The City analyzed the data and established 8.0% or higher in determining which areas to prioritize. Park East, Country Club Estates, Central Plantation and Mirror Lakes were the highest ranging from 8.9% to 10.8% estimated foreclosures.

Subprime (High-Cost) Loans

The City utilized Home Mortgage Disclosure Act (HMDA) data provided by U.S. Department of Housing and Urban Development (HUD) to determine areas that contained the highest percentage of homes financed by a subprime mortgage loan. The County analyzed the data and established a minimum high cost loan rate of 35% or higher in determining which areas to prioritize. Park East, Country Club Estates, Central Plantation and Mirror Lakes were identified in this process.

Areas at Risk

Using HUD's Foreclosure and Abandonment Risk Scoring System, the City identified the areas of greatest need that will likely face a significant rise in the rate of home foreclosures. The City analyzed the data and established an estimated abandonment foreclosure risk score of 7.85 in determining which areas to prioritize. Park East, Country Club Estates, Central Plantation and Mirror Lakes were identified in this process.

Identified Program Target Areas

The NSP Allocation will initially focus on two (2) target areas, Park East and Mirror Lakes, pursuant to the NSP criteria to create a significant impact for the hardest hit neighborhoods in the community. Other neighborhoods, including but not limited to, Central Plantation, Plantation Park, Plantation Historic District, and Country Club Estates may be considered based on response in the initial target areas.

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: The City will utilize NSP funds to purchase homes in a range from \$100,000 to \$200,000 at a proposed average of approximately \$150,000. As housing costs in Florida and particularly in the Plantation area are still not affordable for the average home buyer, the City will target affordable properties which may include condominiums. The condominium market in the South Florida area has been particularly hard hit by foreclosures. In the attached map of foreclosures, the City noted that a large portion of the foreclosures were condominiums. Because the condominium market in this area was seen as affordable to many low and moderate income purchasers, lenders targeted them with subprime loans. Many of those loans have gone into default and ultimately have resulted in foreclosure. While the single family housing market has also been hit by foreclosure, many of these homes' prices are well out of the reach of the average homebuyer. If possible, the City will target single family homes in the above mentioned price range of \$100,000-\$200,000. The NSP Funds will be used as described in Section G, in the areas referenced above after the grant award.

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

Any structure unfit for use, habitation, or dangerous to persons or other property. In addition, a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. This includes structures showing evidence of physical decay or neglect, excessive use, or lack of maintenance.

(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 Ft. Lauderdale Metropolitan Statistical Area (MSA). The current rents are listed below:

	Efficiency	1 Bed	2 Bed	3 Bed	4 Bed
FMR	\$908	\$1,016	\$1,221	\$1,689	\$2,144

Source: U.S. Department of Housing and Urban Development, 2009

The City 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: The City will utilize its SHIP purchase assistance program to place low to moderate income persons in the NSP acquired homes. Through this program, participants are required to sign a 30 year mortgage requiring a full repayment of assisted funds, either \$40,000; \$50,000 or \$60,000 depending on the purchasers' income category, throughout the affordability period.

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

Response: The City will conduct minor home repair and follow its local building code to make sure that the housing unit is decent, safe and habitable.

(5) Definition of "Moderate Income Household":

A household having an income equal to or less than 120% of area median income, but greater than 80% of area median income.

(6) Definition of "Low Income Household":

A household having an income equal to or less than 80% of area median income, but greater than 50% of area median income.

(7) Definition of "Very Low Income Household":

A household having an income equal to or less than 50% of area median income.

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: \$504,078.

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: The City will utilize \$504,078 to purchase single family foreclosed properties. These properties will then be deeded to a not-for-profit organization will then manage the properties as rental properties.

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: The City has no intention of demolishing or converting any low and moderate income dwelling units.

F. PUBLIC COMMENT

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

Response:

TO BE ADDED AFTER THE PUBLIC COMMENT PERIOD HAS ENDED.

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

Activity 1: Foreclosure Acquisition, Rehabilitation and Resale Single Family Scattered Sites

(1) Activity Name: Foreclosure Acquisition, Rehabilitation and Resale Single Family Scattered Sites

(2) Activity Type: Acquisition of Foreclosed Properties (include NSP eligible use - Acquisition of Foreclosed Properties and CDBG eligible activity):

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

- 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (include NSP eligible use & CDBG eligible activity)

- 24 CFR 570.206 - Activity delivery costs for an eligible act

(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: February, 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) City of Plantation, 400 NW 73 Avenue, Plantation, FL 33317, Patrick Haggerty, Community Development Grant Coordinator, (954) 797-2622.

(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, ownership, and other criteria affecting costs.

(8) Activity Description:

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

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

The City, through a non-profit organization, will work with lenders to acquire homes that have been foreclosed and are on the lender's or investor's current inventory. Once foreclosed properties have been identified in the target areas, the City will negotiate with the lender(s) to obtain the maximum reasonable discount for use in the program.

Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent.

After the City develops a list of approved participants via the RFQ process and has obtained listing of negotiated available lender owned properties, a qualified and approved Housing Partner, will be provided listings of available properties in the targeted areas identified by the City. The City will provide funding at 0% interest for the approved Housing Partner to acquire the properties. The City will also provide funding for the rehabilitation of the property at 0% interest for one year, if sold to an eligible homebuyer after rehabilitation. The City will limit the number of properties that the Housing Partners can obtain based on their capacity. The City will notify approved Housing Partners of the homes to be acquired and limit the number that can be acquired by any one agency based on their capacity.

Single family units assisted under this activity will have a recorded mortgage.

The NSP program will rehabilitate both single family and multi-family residential properties. Costs of the rehabilitation can include labor, materials, supplies, permits, lead paint assessment, abatement and clearance, barrier removal, energy efficient 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 City will provide NSP funds for housing rehabilitation to bring the housing units up to the City's Minimum Housing Code. Funding will be provided through a secured lien on the property at 0% interest.

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 be left behind as a deferred payment loan will be tiered according to income and need. As long as the borrower/owner maintains the property as their principal homestead residence during the period of affordability, the loan will remain deferred.

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

The City will allow and pay for development fees that are fair and reasonable as part of the acquisition and rehabilitation process. Development fees and other soft/project related costs associated with the acquisition and rehabilitation shall be considered "Program Delivery" type costs and will be charged to the individual projects assisted.

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

Individual Transactions - If an abandoned or foreclosed-upon home or residential property is to be sold to an individual as a primary residence, no profit may be earned on such sale.

Activity 2: Low Income Foreclosure Acquisition and Rehabilitation Multifamily Rental

(1) Activity Name: Low Income Foreclosure Acquisition and Rehabilitation Multifamily Rental

(2) Activity Type: Acquisition of Foreclosed Properties (include NSP eligible use & CDBG eligible activity)

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

- 24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (include NSP eligible use & CDBG eligible activity)

- 24 CFR 570.206 - Activity delivery costs for an eligible act

(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). Rental Assistance for Low Income

(4) Projected Start Date: February 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) City of Plantation, 400 NW 73 Avenue, Plantation, FL 33317, Patrick Haggerty, Community Development Grant Coordinator, (954) 797-2622.

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

(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

The City is anticipating that it will negotiate for a 15% discount rate from the current listed price.

For financing activities, include:

- range of interest rates

The City, through a non-profit organization, will work with lenders to acquire homes that have been foreclosed and are on the lender's or investor's current inventory. Once foreclosed properties have been identified in the target areas, the City will negotiate with the lender(s) to obtain the maximum reasonable discount for use in the program.

Except as set forth below, the average purchase discount for all properties purchased with NSP funds during the 18-month use period shall be at least 15 percent.

After the City develops a list of approved participants via the RFQ process and has obtained listing of negotiated available lender owned properties, a qualified and approved Housing Partner, will be provided listings of available properties in the targeted areas identified by the City. The City will provide funding at 0% interest for the approved Housing Partner to acquire the properties. The City will limit the number of properties that the Housing Partner can obtain based on their capacity.

The approved not-for-profit Housing Partner will acquire foreclosed properties to be assembled and deeded to them. The Housing Partner will redevelop the properties for rental. The rental properties will be managed by the not-for-profit, they will be required to assure that the properties remain affordable through the program for at least the term of the agreement.

Activity 3: Planning and Administration

(1) Activity Name: Planning and Administration

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

- 24 CFR 570.206(1) – Planning and Administration
- Eligible Activity - 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., \leq 120% of area median income).

N/A

(4) Projected Start Date: September 29, 2008

(5) Projected End Date: July 30, 2013

(6) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information) City of Plantation, 400 NW 73 Avenue, Plantation, FL 33317, Patrick Haggerty, Community Development Grant Coordinator, (954) 797-2622.

(7) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.) City of Plantation, 400 NW 73 Avenue, Plantation, FL 33317

(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.

The City will also charge any pre-award costs incurred 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.

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

Activity	<50%	51%-120%	TOTAL
SINGLE FAMILY ACQUISITION, REHAB, RESALE	-	\$1,310,601	\$1,310,601
RESIDENTIAL RENTAL ACQUISITION AND REHAB	\$504,078	-	\$504,078
PLANNING AND ADMINISTRATION	-	-	\$201,630
TOTAL			\$2,016,309

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):

The City will incorporate performance measures and benchmarks into agreements with the housing partner. 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. The housing partner will be monitored annually for compliance. Penalties and/or sanctions will be imposed on a non-performing agency.

- Households at or below 50% of Area Median Income = no less than 25% of funds; 3 Units
- 51 to 80% = 3 Units
- 81 to 120% = 6 Units

Activity	<50% AMI	51%-80% AMI	81%-120% AMI
Foreclosure Acquisition, Rehabilitation and Resale Single Family Scattered Sites	-	3	6
Very Low Income Foreclosure Acquisition and Rehabilitation Residential Rental	3	-	-

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