

**FLORIDA'S  
NEIGHBORHOOD STABILIZATION PROGRAM  
SUBSTANTIAL AMENDMENT**

**DECEMBER 1, 2008**

**FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS**



# NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): State of Florida	NSP Contact Person:
Jurisdiction Web Address: <a href="http://www.floridacommunitydevelopment.org/cdbg/NSP.cfm">http://www.floridacommunitydevelopment.org/cdbg/NSP.cfm</a>	Janice Browning, Director, Division of Housing and Community Development Address: 2555 Shumard Oak Blvd Telephone: 850-487-3644 Fax: 850-922-5609 Email: <a href="mailto:Janice.Browning@dca.state.fl.us">Janice.Browning@dca.state.fl.us</a>

## ***A. AREAS OF GREATEST NEED***

The national foreclosure crisis has impacted families and communities as well as entire cities and states which are struggling to manage the abandoned and vacant properties resulting from foreclosure and subprime mortgages. These vacant and abandoned properties threaten the value of homeowners, invite crime, and discourage further investment.

Foreclosures are having a multifaceted negative impact on communities and threaten to undermine strides made by local governments that have increased homeownership, lowered crime, and made communities healthy places to live. In addition, Florida's supply of affordable housing is diminishing and assistance to expand the supply must be provided in a way that is more cost effective. The lack of affordable housing is a significant hardship for many families, often preventing them from meeting their other basic needs.

The NSP program requires that NSP funds be used to address foreclosure and abandonment in the "areas of greatest need." Florida has determined that the areas of greatest need, after taking into account the NSP funds to be distributed by HUD, are those CDBG entitlement and non-entitlement communities which did not receive NSP funds directly from HUD (see further discussion under B. (1) Distribution of Funds).

Florida's greatest need determination is based on the limited availability of statewide data with which to identify greatest needs as defined by federal law and the short time allotted for states to submit and implement a plan for allocating and spending these funds. HUD determined that while data on foreclosures, subprime loans, and delinquencies are available from various private resources at county, zip code, and metropolitan levels, those sources have varying levels of coverage and transparency regarding how the data are collected and aggregated. HUD further determined that 75 percent of the variance between states on foreclosure rates can be explained by three variables (data sources) available from public data:

- 1) Office of Federal Housing Enterprise Oversight (OFHEO) data on decline in home values as of June 2008 compared to the peak value since 2000;
- 2) Federal Home Mortgage Disclosure Act (HMDA) data on percent of all loans made between 2004 and 2006 that are high cost; and
- 3) Federal Department of Labor data on unemployment rates in places and counties as of June 2008.

Because these publicly available variables are good predictors of foreclosure risk, HUD used these data sources to estimate the foreclosure rate for each community using a linear regression

analysis. The resulting estimated foreclosure rate was then multiplied by the estimated number of mortgages within each jurisdiction to calculate the number of foreclosures in each jurisdiction. A further modification was made to adjust each jurisdiction's allocation of funds up or down by the comparative vacancy rates in census tracts with more than 40 percent of loans being high-cost, which was identified as an indicator of possible imminent foreclosure. In making its direct funding allocations to communities, HUD established a \$2 million threshold for direct NSP sub-grantees.

## ***B. DISTRIBUTION AND USES OF FUNDS***

### ***(1) DISTRIBUTION OF FUNDS***

Florida's allocation methodology targeted funds to give priority emphasis and consideration to areas with greatest need as required under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA).

Florida has determined that the methodology used by HUD to make sub-state allocations to eligible grantees is the most efficient and expeditious way to allocate funds to communities not funded directly by HUD. Those are the communities Florida will initially target with the \$91.14 million. The 48 HUD-funded communities received a share of available funds proportionate to their level of foreclosure-related need. Using the same data and methodology as HUD for determining the extent of need, Florida's allocation will fund that same proportionate share of need for non-entitlement communities that were ineligible for direct HUD funding and those entitlement communities that fell below HUD's minimum grant level. This will still only fund 26 additional communities throughout Florida. Furthermore, communities in Florida directly funded by HUD are not precluded from receiving state-allocated NSP funds. If the communities funded with the state's allocation are determined to lack the capacity to obligate and spend these funds in a timely fashion, HUD-funded communities that demonstrate the capacity to obligate and spend funds quickly and effectively will be eligible to receive funds recaptured from those communities initially funded by Florida.

Should Florida receive any future appropriations for the Neighborhood Stabilization Program, the State will not necessarily utilize the same approach to distribute funding.

### ***REGULAR STATE NSP ALLOCATION***

The \$91.14 million, after deducting state administrative funds, will be allocated using the same methodology HUD used to make its sub-state allocations, with a minimum grant level. This funding will be referred to as the **regular state NSP allocation**.

Similar to HUD, Florida determined that it would be difficult for a grantee to administer a smaller program because of the complexities inherent in the problem being tackled and the short time frame involved. Florida has therefore established a floor of \$1.25 million for a NSP regular grant.

Recipients of regular NSP grants will be those eligible communities which receive an allocation at or above the state's minimum grant amount of \$1.25 million. Where counties receive a regular state NSP allocation amount based on the inclusion of one or more otherwise unfunded cities within the county, the county's application to the Department must show how the greatest

need is being addressed in both the unincorporated and applicable incorporated areas in the county. If a local government chooses not to apply for its regular allocation or applies for or receives less than its allocation, those funds will be redistributed for use in other communities.

Below are the results of the regular state NSP allocation with minimum grant awards of \$1.25 million.

<b>Local Government Jurisdiction</b>	<b>County</b>	<b>Allocation Amount</b>	<b>Included Cities (not funded by HUD or state)</b>
Alachua County	Alachua	\$1,411,917	All cities included
Bay County	Bay	\$1,615,436	All cities included
Titusville	Brevard	\$1,625,481	N/A
Melbourne	Brevard	\$1,343,243	N/A
Davie	Broward	\$1,715,568	N/A
Charlotte County	Charlotte	\$5,364,020	All cities included
Citrus County	Citrus	\$1,478,164	All cities included
Clay County	Clay	\$2,722,894	All cities included
Palm Coast	Flagler	\$2,177,980	N/A
Hernando County	Hernando	\$4,299,472	All cities included
Indian River County	Indian River	\$3,598,543	All cities included
Tallahassee	Leon	\$1,693,435	N/A
Bradenton	Manatee	\$1,975,077	N/A
Ocala	Marion	\$1,313,887	N/A
Martin County	Martin	\$2,645,982	All cities included
Miami Beach	Miami-Dade	\$1,641,832	N/A
Okaloosa County	Okaloosa	\$2,255,252	All cities included
Apopka	Orange	\$1,547,689	N/A
Osceola County	Osceola	\$11,524,826	All cities included EXCEPT Kissimmee
Delray Beach	Palm Beach	\$1,351,043	N/A
Clearwater	Pinellas	\$2,034,862	N/A
Santa Rosa County	Santa Rosa	\$1,662,215	All cities included
St. Johns County	St. Johns	\$1,761,096	All cities included
Ft. Pierce	St. Lucie	\$1,505,403	N/A
St. Lucie County	St. Lucie	\$3,144,510	All cities included EXCEPT Ft. Pierce & Port St. Lucie
Daytona Beach	Volusia	\$1,668,161	N/A
<b>Total =</b>		<b>\$65,077,988</b>	

### ***NEIGHBORHOOD STABILIZATION PROGRAM LOW-INCOME (NSPLI) SUPPLEMENTAL ALLOCATION***

A fundamentally important requirement for the use of NSP funds is that each HUD grantee must use no less than 25 percent of the funds for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50 percent of area median income. Florida refers to this requirement as the Neighborhood Stabilization Program Low-Income (NSPLI) requirement. Failure to comply with this requirement will jeopardize the remaining 75 percent of the NSP funds, which must be used to benefit individuals and families whose incomes do not exceed 120 percent of area median income and for state and local administration.

In order to ensure that Florida complies with this requirement, a separate funding allocation shall be established. These grant awards will provide supplemental funding to each geographic area receiving a regular state allocation based on both its proportionate allocation of regular state NSP funds and its proportionate concentration of NSPLI target population. In addition, these funds will have to be used to provide rental housing for those individuals and families whose incomes do not exceed 50 percent of area median income.

The funds for the NSPLI supplemental allocation will come from regular state NSP allocations that fell below the minimum grant amount of \$1.25 million. This amounts to \$23.0 million, or 25.2 percent of the state's total award from HUD.

Within the supplemental NSPLI geographic areas, the eligible recipient is the regular NSP sub-grantee. If the regular NSP sub-grantee does not have at least 5 years experience providing rental housing to the NSPLI target population, it must either partner with one or more local housing authority or non-profit organization in the county with such experience or designate one to be the eligible applicant for supplemental funding.

As a direct NSP grantee, Florida must ensure compliance with the Federal requirement to address the NSPLI target group. Segregating NSPLI target funds will increase their visibility and improve the ability to monitor their use. Having a separate NSPLI allocation will also make it easier for Florida to recapture and reallocate these funds if they are not obligated or spent in a timely manner.

These funds shall be used to provide rental housing because Florida determined that it will be the most affordable and feasible option available to the target group in the short timeframe for the program.

These supplemental funding areas have already been identified as having the greatest need related to the foreclosure crisis. Factoring in the relative concentration of the NSPLI population ensures that there will be an adequate number of this target group to meet this federal requirement.

If a local government chooses not to apply for its supplemental allocation or applies for or receives less than its allocation, those funds will be redistributed for use in other communities.

Below are the results of the supplemental NSPLI allocation.

<b>Local Government Jurisdiction</b>	<b>County</b>	<b>Allocation Amount</b>	<b>Included Cities (not funded by HUD or state)</b>
Alachua County	Alachua	\$1,517,321	All cities included
Bay County	Bay	\$908,311	All cities included
Titusville	Brevard	\$488,300	N/A
Melbourne	Brevard	\$576,948	N/A
Davie	Broward	\$600,724	N/A
Charlotte County	Charlotte	\$1,423,037	All cities included
Citrus County	Citrus	\$693,256	All cities included
Clay County	Clay	\$915,629	All cities included
Palm Coast	Flagler	\$486,923	N/A
Hernando County	Hernando	\$1,344,912	All cities included
Indian River County	Indian River	\$1,082,282	All cities included
Tallahassee	Leon	\$1,252,235	N/A
Bradenton	Manatee	\$601,190	N/A
Ocala	Marion	\$429,318	N/A
Martin County	Martin	\$891,481	All cities included
Miami Beach	Miami-Dade	\$907,719	N/A
Okaloosa County	Okaloosa	\$1,003,183	All cities included
Apopka	Orange	\$362,277	N/A
Osceola County	Osceola	\$2,566,992	All cities included EXCEPT Kissimmee
Delray Beach	Palm Beach	\$553,962	N/A
Clearwater	Pinellas	\$810,889	N/A
Santa Rosa County	Santa Rosa	\$703,188	All cities included
St. Johns County	St. Johns	\$728,347	All cities included
Ft. Pierce	St. Lucie	\$579,993	N/A
St. Lucie County	St. Lucie	\$840,091	All cities included EXCEPT Ft. Pierce & Port St. Lucie
Daytona Beach	Volusia	\$694,981	N/A
Total =		<b>\$22,963,490</b>	

### ***RECAPTURE OF UNOBLIGATED FUNDS***

In order to ensure that all NSP funds are obligated within 18 months from the date of an executed agreement between HUD and Florida, as required in Federal Register Notice, Volume 73, No. 194, dated October 6, 2008 and Title III of the Housing and Economic Recovery Act, 2008 (HERA) (Pub. L. 110–289, approved July 30, 2008), Florida will recapture unobligated funds through the following process for both regular and supplemental grants.

No later than 10 months following execution of the agreement between HUD and Florida, Florida will recapture all unobligated funds (including applicable administrative funds) from the sub-grantee except for a specified percent (applied to all applicable sub-grantees) of the original NSP grant amount.

Again, no later than 15 months following execution of the agreement between HUD and Florida, Florida will recapture all unobligated funds from the sub-grantee except for 5 percent of the original NSP grant amount.

The amount of unobligated funds that sub-grantees will be allowed to keep at both 10 and 15 months is considered a level they should reasonably be able to obligate by the 18-month deadline. To establish a state requirement to recapture all of the unobligated funds at these milestones would put an unfair burden on those sub-grantees to have to obligate all of their funds in a shorter timeframe than the already challenging federal requirement of 18 months, as well as deprive them of the opportunity to obligate or spend any of their funds in the last 3 months of the 18-month obligation period.

Florida shall verify the amount of unobligated funds through the Disaster Recovery Grant Reporting System (DRGR). For purposes of the Neighborhood Stabilization Program, funds are obligated for an activity when orders are placed, contracts are awarded, services are received, and similar transactions have occurred that require payment by the state, unit of general local government, or sub-grantee during the same or a future period.

Any recaptured funds will be placed in Florida's Incentive-Based Set-Aside to be redistributed. The Incentive-Based Set-Aside is outlined in detail on page 8 of this substantial amendment.

### ***RECAPTURE OF UNSPENT FUNDS***

In order to ensure that NSP funds are utilized within the 4-year timeframe as directed by HUD, Florida shall execute two-year (24 months) grant agreements with sub-grantees for both regular and supplemental NSPLI funds. If the sub-grantee has not spent its entire NSP award amount by the two-year completion date, Florida shall evaluate whether the sub-grantee has made substantial progress and whether an extension may be granted. If it is determined that substantial progress is being made and at least 50 percent of the funds have been spent, Florida may grant up to two regular contract extensions for a total of no more than 18 months, as warranted by the sub-grantee's overall progress, remaining activities, and funding. Following the extension(s), Florida shall recapture all unspent funds except for 10 percent of the original NSP grant amount, which will require a special extension in order to be spent after expiration of the regular extension(s).

The 10 percent that sub-grantees will be allowed to keep at the end of the regular extension(s) is considered a level they should reasonably be able to spend within the 4-year period (48 months).

To establish a state requirement to recapture all of the unspent funds when a grant contract expires would deprive those sub-grantees of an opportunity to spend any of their funds in the remaining months of the 48-month period.

Florida shall verify the amount of unexpended funds through DRGR. For purposes of NSP, funds are considered expended when all invoices, accounts, and contractual agreements for NSP-funded activities have been paid in full.

Any recaptured funds will be placed in Florida's Incentive-Based Set-Aside to be redistributed.

### ***INCENTIVE-BASED SET-ASIDE***

Given the urgency outlined by HUD in quickly addressing the serious housing crisis and utilizing NSP dollars in an expeditious manner, Florida is creating an Incentive-Based Set-Aside. Any unobligated or unspent NSP funds recaptured by Florida shall be set aside for state funded sub-grantees that are obligating and spending NSP funds in a judicious and expeditious manner.

During the initial NSP application process, sub-grantees shall be directed to submit a special funding request that outlines any additional unmet needs beyond those addressed in their basic application in order to be eligible to participate in the Incentive-Based Set-Aside. These special funding requests are subject to the same NSP guidelines and requirements set forth in Federal Register Notice, Volume 73, No. 194, dated October 6, 2008 and Title III of the Housing and Economic Recovery Act, 2008 (HERA) (Pub. L. 110-289, approved July 30, 2008).

Incentive-Based Set-Aside funds shall be collected through the following processes.

1. Any unobligated funds recaptured at 10 and 15 months following execution of an agreement between HUD and the State shall be reallocated as Incentive-Based Set-Aside funds.
2. Any unspent funds recaptured at the end of the grant agreement or any extension shall be reallocated as Incentive-Based Set-Aside funds.

Incentive-Based Set-Aside funds shall be distributed to sub-grantees based on the NSP funds they have obligated or spent. Sub-grantees that have funds recaptured are not eligible to receive funds redistributed through the Incentive-Based Set-Aside.

If the amount of Incentive-Based Set-Aside funds to be redistributed is deemed to exceed the capacity of the eligible sub-grantees to obligate these additional funds within 18 months from the date an agreement is executed between HUD and the State or to spend these funds within the program's 4-year timeframe, Florida may reallocate these recaptured funds to local governments receiving NSP funds directly from HUD or to any other entity it deems appropriate to accomplish the purposes of Florida's NSP program.

With regard to allowable uses for Incentive-Based Set-Aside funds by sub-grantees, Florida will give priority to ensuring compliance with the Federal requirement to address the NSPLI target group.

All Incentive-Based Set-Aside funding resulting from the recapture of unobligated funds must be obligated within 18 months of HUD's execution of an agreement between HUD and the State.

Verification of obligation and expenditure rates shall be conducted through DRGR. Any Incentive-Based Set-Aside funding awards to Florida-funded sub-grantees shall be achieved through a modification to the existing sub-grantee NSP award agreement.

### ***PROGRAM INCOME***

All program income earned as a result of activities funded under this grant shall be returned to the state for reallocation based on greatest need and capacity to obligate and spend NSP funds. Any generated program income must be reported to the Department and must comply with the requirements set out in 24 CFR 570.489(e)(3) and the Federal Register Notice that states the requirements of the NSP must be met.

Any program income received on or after July 30, 2013, may not be retained by the local government and must be remitted to Florida to be returned to HUD.

### ***(2) USES OF FUNDS***

Florida will use NSP funds within the areas of greatest need for eligible activities described under section 2301(c)(3) of HERA. Eligible sub-grantees for NSP funds will be required to specify activities, proposed units of accomplishment and beneficiaries in a NSP application. In addition, 100 percent of the project funds must be to benefit individuals and households whose income does not exceed 120 percent of the area median income.

Communities receiving funding under Florida's NSP allocations are encouraged to foster partnerships with other organizations and programs to meet the requirements outlined in this substantial amendment. Building strong partnerships, utilizing specialized expertise, and fostering community outreach are essential to a successful neighborhood stabilization program.

HUD has established restrictions on these activities through its Federal Register Notice on the allocation and application process for NSP funds. In particular, several of these activities are only eligible if the use of funds will address a foreclosed property. HUD has also waived the one-for-one replacement required under the CDBG program, but requires documentation on the number of units that will be produced. Florida will seek to provide NSP funds with the maximum authorized flexibility while adhering to HUD-mandated restrictions. Florida will also advise and provide technical assistance to all of its eligible applicants and sub-grantees regarding applying for and administering NSP funds under these requirements.

Florida will limit eligible activities conducted by sub-grantees in the following manner:

- By ensuring that applicants for allocated funds clearly and convincingly identify the scope and nature of the foreclosure problems within their communities and propose to conduct only those eligible activities that will reasonably contribute to resolving those identified problems;
- By limiting the use of NSP funds for public facilities to eligible activities that are directly related to and in support of the primary NSP activity approved in the application;
- By conducting site visits prior to funding applications to ensure that the project and activities are eligible in accordance with the application's project description and eligible uses identified in this amendment to Florida's Action Plan;

- By limiting the amount of grant funds that can be used for activity delivery costs; and
- By reviewing the grantee's capacity to adequately administer, manage, and use the NSP funds within the required timeframe.

The eligible activities outlined in this NSP substantial amendment are subject to change based upon HUD's approval of this amendment, and/or changes issued to the NSP Notice or interpretation of the Notice as clarified on the HUD website for this program: <http://www.hud.gov/nsp>.

The NSP substantial amendment outlines the State's framework for allocating NSP funding. However, eligible applicants are being provided, and are also encouraged to read, the requirements set out in the Federal Register (Vol. 73, No. 194). Except as described in the Federal Register notice, all statutory and regulatory provisions governing the Community Development Block Grant (CDBG) program for states, including 24 CFR part 570 subpart I, for CDBG entitlement communities, including those at 24 CFR part 570 subparts A, C, D, J, K and O, applicable emergency rule and program guidance, shall apply to the use of these funds.

### ***MONITORING***

The Department shall utilize Florida Small Cities CDBG Program monitoring policies and procedures outlined in its 2008 Annual Action Plan to ensure compliance with federal guidelines. These policies and procedures mirror those used by HUD to monitor state administered and entitlement programs. In addition, the Department's Office of the Inspector General, the Office of the Auditor General, and HUD frequently perform monitoring, assessment, or auditing to ensure that the Department is in compliance with state and federal rules and regulations and to assist the state in providing guidance to CDBG recipients.

The Department shall utilize its existing monitoring process to ensure that all contracts funded under the NSP allocation are carried out in accordance with federal and state laws, rules, and regulations. The Department shall monitor the compliance of sub-grantees and HUD will monitor the state's compliance with this requirement. Expenditures shall be disallowed if the use of the funding does not conform to eligible activities serving eligible beneficiaries. In such case, the sub-grantees receiving the funding would be required to refund the amount of the grant that was disallowed.

### ***MITIGATION OF FRAUD***

Through technical assistance and training, Florida shall ensure that grantees are aware of federal financial recordkeeping and best practice methods for fraud prevention. In addition, Florida shall utilize timely, standard monitoring practices to mitigate potential risk for fraud.

To further prevent the opportunity for fraudulent activities or fiscal mismanagement related to real estate and financial transactions, sub-grantees are required to work with a third party management or accounting entity that can assist with proper asset valuation and secured transactions, unless they can demonstrate significant experience in these areas.

**C. DEFINITIONS AND DESCRIPTIONS**

Certain terms are used in HERA and the subsequent HUD notice that are not used, or used differently, in the regular CDBG program under the Housing and Community Development Act.

HUD has defined these terms in its HERA notice for all grantees, including states. Florida is incorporating those HUD definitions as part of this NSP substantial amendment with the exception of the definitions listed below.

Florida establishes the following definitions for purposes of the NSP.

**Blighted structure.** “Blighted structure” means a structure in which there is substantial deterioration in which conditions are leading to economic distress or endangerment of life, the local government jurisdiction agrees by ordinance that the structure is blighted, and in which one or more of the following factors are present.

- (a) Unsanitary or unsafe conditions;
- (b) Deterioration of site or other improvement;
- (c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness.

**Affordable rents.** “Affordable rents” is defined as the Fair Market Rents (FMR) as published annually by HUD for the sub-grantees.

CONTINUED AFFORDABILITY FOR NSP ASSISTED HOUSING

The State shall ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties under NSP remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) of HERA, remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income.

The State will ensure long-term affordability by requiring that all NSP assisted housing have a Deed Restriction (if resale) or Mortgage (if recapture) recorded on the property. The periods of affordability for NSP-assisted homebuyer projects must meet or exceed the minimum affordability requirements established in 24 CFR 92.252(e) and 24 CFR 92.254(a)(4) for the HOME Investment Partnerships Program (HOME) as specified below, beginning after project completion.

The periods of affordability applicable to NSP homebuyer projects are as follows.

Under \$15,000	5 years
Between \$15,000 to \$40,000	10 years
Over \$40,000	15 years
New Housing Construction	20 years

While these are minimum requirements, the local government may choose to implement more stringent affordability requirements than the minimum listed here to ensure that the properties remain affordable for as long as possible.

#### RENTAL HOUSING

The income of each tenant will be determined at the time of occupancy in accordance with 24 CFR 570.3 using the definition of “annual income” as defined by Section 8 Housing Assistance Payments Program to ensure income requirements of NSP are being complied with.

Rents charged for each unit assisted under NSP may not exceed the definition of “affordable rents” as contained in this Action Plan amendment. All NSP sub-grantees will be required to monitor each rental property during the required affordability period to ensure that all rental units maintain long-term affordability.

#### OWNER-OCCUPIED HOUSING

The income of each owner occupant assisted with NSP funds will be determined at the time of purchase in accordance with 24 CFR 570.3 using the “annual income” as defined by the Section 8 Housing Assistance Payments Program to ensure income requirements of NSP are being complied with. Residential properties purchased for occupants with NSP funds must be the primary residence of the beneficiary.

Long-term affordability requirements will be met through either resale or recapture provisions established by the sub-grantee that must meet or exceed the requirements under the HOME Program. The sub-grantees’ affordability plan must be reviewed and approved by the Department.

#### DURATION OF ASSISTANCE

NSP assistance shall be provided up to a maximum of 4 years based on the State’s program and availability of funding.

#### TENURE OF BENEFICIARIES

For homes that are developed as rental property the tenure is expected to be long term, without planned limits on tenancy. For homes that are developed for the purposes of being sold to low, moderate and middle income individuals or families, the tenure shall be no less than the affordability period established for the property.

#### HOUSING REHABILITATION STANDARDS APPLICABLE TO NSP ASSISTED ACTIVITIES

a. Housing that is constructed or rehabilitated with NSP funds must meet all applicable local codes, rehabilitation standards, zoning ordinances, and HUD Housing Quality Standards under 24 CFR 982.401, at the time of project completion. The participating jurisdiction must have written standards for rehabilitation that ensure that NSP-assisted housing is decent, safe,

and sanitary. In the absence of a local code for new construction or rehabilitation, NSP-assisted new construction or rehabilitation must meet the Florida Building Code, based on the International Building Code. Newly constructed housing must meet the Florida Energy Efficiency Code for Building Construction. Florida shall require all housing construction to incorporate modern, green building and energy-efficiency improvements in all NSP activities to provide for long-term affordability and increased sustainability and attractiveness of housing and neighborhoods.

b. The housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

c. Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt state and local codes covering the same aspects of performance for such housing. Participating jurisdictions providing NSP assistance to install manufactured housing units must comply with applicable state and local laws or codes. In the absence of such laws or codes, the participating jurisdiction must comply with the manufacturer's written instructions for installation of manufactured housing units. Manufactured housing that is rehabilitated using NSP funds must meet the requirements set out in paragraph (a) of this section.

#### ***D. LOW-INCOME TARGETING***

For HUD's \$91.1 million allocation to Florida, no less than 25 percent, or \$22.8 million, must be allocated to assist the NSP Low-Income (NSPLI) target population not exceeding 50 percent of area median income. Failure to comply with this requirement will jeopardize the remaining 75 percent of the NSP funds, which must be used to benefit individuals and families whose incomes do not exceed 120 percent of area median income and for state and local administration.

In order to ensure that Florida complies with this requirement, a separate funding allocation shall be established. These grant awards will provide supplemental funding to each geographic area receiving a regular state allocation based on both its proportionate allocation of regular state NSP funds and its proportionate concentration of NSPLI target population. In addition, these funds will have to be used to provide rental housing for those individuals and families whose incomes do not exceed 50 percent of area median income.

The funds for the NSPLI allocation will come from regular state NSP allocations that fell below the minimum grant amount of \$1.25 million. This amounts to \$23.0 million, or 25.2 percent of the state's total award from HUD.

Within the supplemental NSPLI geographic areas, the eligible recipient is the regular NSP sub-grantee. If the regular NSP sub-grantee does not have at least 5 years experience providing rental housing to the NSPLI target population, it must either partner with one or more local housing authority or non-profit organization in the county with such experience or designate one to be the eligible applicant for supplemental funding.

As a direct NSP grantee, Florida must ensure compliance with the Federal requirement to address the NSPLI target group. Segregating NSPLI target funds will increase their visibility

and improve the ability to monitor their use. Having a separate NSPLI allocation will also make it easier for Florida to recapture and reallocate these funds if they are not obligated or spent in a timely manner.

These funds shall be used to provide rental housing because Florida determined that it will be the most affordable and feasible option available to the target group in the short timeframe for the program.

These supplemental funding areas have already been identified as having the greatest need related to the foreclosure crisis. Factoring in the relative concentration of the NSPLI population ensures that there will be an adequate number of this target group to meet this federal requirement.

If a local government chooses not to apply for its supplemental allocation or applies for or receives less than its allocation, those funds will be redistributed for use in other communities.

### ***E. ACQUISITIONS & RELOCATION***

No dwelling units will be converted as a result of NSP-assisted activities. All units demolished will be replaced and made available to low, moderate and middle income individuals and families under 120% of area median income.

### ***F. PUBLIC COMMENTS***

Florida published its proposed draft NSP Substantial Amendment on November 14, 2008, for 15 days by posting it on the Department website at [www.floridacommunitydevelopment.org/cdbg/index.cfm](http://www.floridacommunitydevelopment.org/cdbg/index.cfm) as required by the HUD Federal Register Notice. The public comment period began on that date and ended on November 28, 2008. The Department conducted a publicly noticed Public Hearing on November 24, 2008. A total of 78 persons participated in the Public Hearing by conference call and 34 persons were in attendance. The following is a summary of public comments received through the Department's website, email, regular mail, stakeholder meetings, and the public hearing.

#### **Funding formula/allocation methodology**

The majority of the comments focused on the data that was used in the development of the formula. Several local governments asked to review the data that was used for their community. Many comments were also made regarding the use of more current data as related to determining the areas of greatest need.

Local governments that were not identified in the plan as eligible for NSP funding wanted to know how they could participate in the State program. Several local governments that were directly funded by HUD commented that they should be entitled to participate in the State program due to the extent of their needs. Some local governments expressed the need for a set-aside of NSP funds that would be made available specifically to the small cities and counties that participate in the State's CDBG program.

## **Program Income**

Comments on the use of program income included allowing the jurisdictions to keep it at the local level to further NSP activities, reallocate the funds to direct-funded grantees, and reallocate the funds to the smaller cities and counties that were not initially funded by the State.

## **Grant Minimum**

Several recommendations were made to reduce the minimum grant size from \$1.5 million to \$1.25 million, \$1 million, \$750,000, or as low as \$500,000 in order to fund more communities.

## **Eligible Activities**

Various local governments and non-profit organizations asked the State to reconsider the policy of how to address the housing needs of individuals and families whose incomes do not exceed 50% AMI. The entities would like to be able to include homeownership assistance as an eligible activity for meeting the requirements of this target group.

## **Administration**

Percentage of funds allowed for grant administration was also discussed. Several comments were made that the percentage was not sufficient for local governments given the short timeframe and requirements of the program.

A number of general comments were made concerning the application process and other administrative issues that related to the overall administration of the funding.

## **Technical Assistance**

A number of comments, questions and recommendations were made regarding the need for technical assistance to understand and implement the NSP program. Local governments, as well as non-profit organizations, made comments on the need for technical assistance from the State. The technical assistance requests included issues such as purchasing foreclosed and abandoned properties, working with lenders, and establishing and maintaining land banks.

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

Florida has endeavored within the allotted time period to determine a reasonable method of allocating the Florida NSP funds to best achieve the program objectives of stabilizing neighborhoods of greatest need by providing a means for the acquisition, rehabilitation, renovation, and subsequent provision of homes and other foreclosed or abandoned residential properties to individuals and families whose income does not exceed 120 percent of the area median income. Florida has also endeavored to establish a method to ensure that at least 25 percent of the Florida NSP funds are used for individuals and families whose income does not exceed 50 percent of the area median income. As a result of the scope of these endeavors and the very limited time allowed to develop this Substantial Amendment, Florida has not been able to

work directly with its intended sub-grantees to determine which of the NSP eligible activities most appropriately addresses the program objectives within each of the sub-grantee communities. Therefore, Florida is not at this time able to provide the detail sought below. Florida intends to submit an additional amendment(s) as deemed necessary and if required by HUD to provide the requested detail after Florida's sub-grantees have had an opportunity to develop and submit their local NSP programs to Florida.

### **ACTIVITY #1**

(1) Activity Name: Housing Acquisition/Rehabilitation of homes for sale to individuals and families with incomes less than 120 percent of AMI

(2) Activity Type:

NSP- Purchase and rehabilitate residential properties that have been abandoned or foreclosed in order to sell the homes to qualified individuals or families.

CDBG eligible activities

24 CFR 570.201(a) Acquisition

24 CFR 570.201(b) Disposition

24 CFR 570.201(e) Public Services for housing counseling

24 CFR 570.201(i) Relocation

24 CFR 570.201(n) Homeownership Assistance

24 CFR 570.202(a) Rehabilitation

(3) National Objective:

Benefiting low, moderate and middle income persons.

(4) Activity Description:

The purpose of this activity is to stabilize neighborhoods of greatest need by providing a means for the acquisition, rehabilitation, renovation, and subsequent provision of homes and other foreclosed or abandoned residential properties to individuals and families whose income does not exceed 120 percent of the area median income.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

All activities funded with State NSP funds will meet one or more of the following performance measures for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent:

- units of housing to be acquired,
- units of housing to be rehabilitated,
- units of housing to be demolished,
- units of housing to be sold,
- units of housing to be rented, or
- parcel(s) to be acquired.

(7) Total Budget:

To Be Determined (based on sub-grantee application approval).

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirements:

NSP recipients will be required to work with lenders to acquire homes that have been foreclosed within the areas designated as having the greatest need. Sub-grantees will be encouraged to work with non-profit organizations that have the capacity to implement this housing activity.

The minimum purchase discount for an individual property will be at least 5 percent. The average purchase discount for all properties purchased with NSP funds shall be at least 15 percent.

All properties will be sold to individuals and families with incomes at or below 120 percent of area median income. The income of each owner occupant will be determined at the time of purchase in accordance with 24 CFR 570.3.

Long-term affordability requirements will be met through either resale or recapture provisions established by the sub-grantee that must meet or exceed the requirements under the HOME Program. The sub-grantees' affordability plan must be reviewed and approved by the Department.

NSP financing provided will be through a grant or a loan at zero percent interest rate.

## ACTIVITY #2

(1) Activity Name: Housing Acquisition/Rehabilitation of homes for sale to individuals and families with incomes less than 50 percent of area median income.

(2) Activity Type:

NSP-Purchase and rehabilitate residential properties that have been abandoned or foreclosed in order to sell the homes to qualified individuals or families.

CDBG eligible activities

24 CFR 570.201(a) Acquisition

24 CFR 570.201(b) Disposition

24 CFT 570.201(e) Public Services for housing counseling

24 CFR 570.201(i) Relocation

24 CFR 570.201(n) Homeownership Assistance

24 CFR 570.202(a) Rehabilitation

(3) National Objective:

Benefiting low, moderate and middle income persons.

(4) Activity Description:

The purpose of this activity is to turn foreclosed or abandoned properties into viable assets for low-income individuals and families. NSP sub-grantees will be required to work with lenders to acquire homes that have been foreclosed within the areas designated as having the greatest need. Sub-grantees will be encouraged to work with non-profit organizations that have the capacity to implement this housing activity.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

All activities funded with State NSP funds will meet one or more of the following performance measures for the income levels of households that are 50 percent of area median income and below:

- units of housing to be acquired,
- units of housing to be rehabilitated,
- units of housing to be demolished,
- units of housing to be sold,
- units of housing to be rented, or
- parcel(s) to be acquired.

(7) Total Budget:

To Be Determined (based on sub-grantee application approval).

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirements:

The minimum purchase discount for an individual property will be at least 5 percent. The average purchase discount for all properties purchased with NSP funds shall be at least 15 percent.

All properties will be sold to individuals and families with incomes at or below 50 percent area median income. The income of each owner occupant will be determined at the time of purchase in accordance with 24 CFR 570.3.

Long-term affordability requirements will be met through either resale or recapture provisions established by the sub-grantee that must meet or exceed the requirements under the HOME Program. The sub-grantees' affordability plan must be reviewed and approved by the Department.

NSP financing provided will be through a grant or a loan at zero percent interest rate.

### **ACTIVITY #3**

(1) Activity Name: Housing Finance

(2) Activity Type:

NSP- Establish financing mechanisms for purchase and redevelopment of foreclosed homes.

CDBG eligible activities

24 CFR 570.206(g) Administrative expenses to facilitate housing

24 CFR 570.201(n) Homeownership Assistance

(3) National Objective:

Benefiting low, moderate and middle income persons.

(4) Activity Description:

The purpose of this activity is to improve access to mortgage capital on flexible terms, maintain occupancy of foreclosed homes, facilitate property renovation, and help individuals and families access responsible credit and financing to promote homeownership by promoting long-term affordability.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

All activities funded with State NSP funds will meet one or more of the following performance measures for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent:

- units of housing to be acquired,
- units of housing to be rehabilitated,
- units of housing to be demolished,
- units of housing to be sold,
- units of housing to be rented, or
- parcel(s) to be acquired.

(7) Total Budget:

To Be Determined (based on sub-grantee application approval).

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirements:

NSP financing provided will be through a grant or a loan at zero percent interest rate.

#### ACTIVITY #4

(1) Activity Name: Establishing Land Banks

(2) Activity Type:

NSP- Establish land banks for homes that have been foreclosed upon;

CDBG eligible activities

24 CFR 570.201(a) Acquisition

24 CFR 570.201(b) Disposition

(3) National Objective:

Benefiting low, moderate and middle income persons.

(4) Activity Description:

Florida communities are seeing more abandonment, and as the mortgage crisis spreads to suburban and rural areas, the authority to create land banks is increasingly relevant to residents statewide. Using property productively and putting tax delinquent property back on the tax rolls benefits the entire state. Blight is contagious, not only within neighborhoods but also across jurisdictions. The purpose of this activity is to bring abandoned property back into productive use, generating tax revenue, raising property values and creating community amenities such as affordable housing and green space.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

All activities funded with State NSP funds will meet one or more of the following performance measures for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent:

- units of housing to be acquired,
- units of housing to be rehabilitated,
- units of housing to be demolished,
- units of housing to be sold,
- units of housing to be rented, or
- parcel(s) to be acquired.

(7) Total Budget:

To Be Determined (based on sub-grantee application approval).

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirements:

For the purposes of the NSP program, a land bank will operate in a specific, defined geographic area. It will purchase properties that have been abandoned or foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties. If the land bank is a governmental entity, it 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.

The minimum purchase discount for an individual property will be at least 5 percent. The average purchase discount for all properties purchased with NSP funds shall be at least 15 percent.

NSP financing provided will be through a grant or a loan at zero percent interest rate.

**ACTIVITY #5**

(1) Activity Name: Demolition and Clearance/ Housing Redevelopment

(2) Activity Type:

NSP- Demolish blighted structures/ redevelop demolished or vacant properties

CDBG eligible activities

24 CFR 570.201(a) Acquisition

24 CFR 570.201(b) Disposition

24 CFR 570.201(d) Clearance and remediation

24 CFR 570.201(i) Relocation

24 CFR 570.201(n) Homeownership Assistance

24 CFR 570.201(o) Counseling

(3) National Objective:

Benefiting low, moderate and middle income persons

(4) Activity Description:

The purpose of this activity is to turn vacant or blighted properties into productive use that will help stabilize a neighborhood which has been negatively impacted by foreclosures.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

All activities funded with State NSP funds will meet one or more of the following performance measures for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent:

- units of housing to be acquired,
- units of housing to be rehabilitated,
- units of housing to be demolished,
- units of housing to be sold,
- units of housing to be rented, or
- parcel(s) to be acquired.

(7) Total Budget:

To Be Determined (based on sub-grantee application approval)

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirements:

The proposed activity must be directly related to the sub-grantee's overall plan to address foreclosure needs.

The Department may limit the total amount of grant funds that may be expended on this activity.

The minimum purchase discount for an individual property will be at least 5 percent. The average purchase discount for all properties purchased with NSP funds shall be at least 15 percent.

All properties will be sold to individuals and families with incomes at or below 120 percent of area median income. The income of each owner occupant will be determined at the time of purchase in accordance with 24 CFR 570.3.

Long-term affordability requirements will be met through either resale or recapture provisions established by the subgrantee that must meet or exceed the requirements under the HOME Program. The subgrantees' affordability plan must be reviewed and approved by the Department.

NSP financing provided will be through a grant or a loan at zero percent interest rate.

### **ACTIVITY #6**

(1) Activity Name: Housing Acquisition/Rehabilitation of homes for lease to individuals and families with incomes less than 120 percent of area median income.

(2) Activity Type:

NSP-Purchase and rehabilitate residential properties that have been abandoned or foreclosed in order to rent to qualified individuals or families.

CDBG eligible activities

24 CFR 570.201(a) Acquisition

24 CFR 570.202(a) Rehabilitation

24 CFR 570.201(b) Disposition

24 CFR 570.201(i) Relocation

(3) National Objective:

Benefiting low, moderate and middle income persons.

(4) Activity Description:

The purpose of this activity is to turn foreclosed or abandoned properties into decent, safe and affordable housing for low, moderate and middle income individuals and families.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

All activities funded with State NSP funds will meet one or more of the following performance measures for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent:

- units of housing to be acquired,
- units of housing to be rehabilitated,
- units of housing to be demolished,
- units of housing to be sold,
- units of housing to be rented, or
- parcel(s) to be acquired.

(7) Total Budget:

To Be Determined (based on sub-grantee application approval).

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirements:

All properties will be leased to individuals and families with incomes at or below 120 percent of area median income. The income of each owner occupant will be determined at the time of purchase in accordance with 24 CFR 570.3.

The NSP-assisted units in a rental housing project must be occupied only by households that are eligible as low-income individuals or families under NSP and must meet the following requirements to qualify as affordable housing. The affordability requirements also apply to the NSP-assisted non-owner-occupied units in single-family housing purchased with NSP funds.

The maximum NSP rents are defined as the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111.

The minimum purchase discount for an individual property will be at least 5 percent. The average purchase discount for all properties purchased with NSP funds shall be at least 15 percent.

NSP financing provided will be through a grant or a loan at zero percent interest rate.

**ACTIVITY #7**

(1) Activity Name: Housing Acquisition/Rehabilitation of homes for lease to individuals and families with incomes less than 50 percent of area median income.

(2) Activity Type:

NSP-Purchase and rehabilitate residential properties that have been abandoned or foreclosed in order to rent to qualified individuals or families.

CDBG eligible activities

24 CFR 570.201(a) Acquisition

24 CFR 570.202(a) Rehabilitation

24 CFR 570.201(b) Disposition

24 CFR 570.201(i) Relocation

(3) National Objective:

Benefiting low, moderate and middle income persons.

(4) Activity Description:

The purpose of this activity is to turn foreclosed or abandoned properties into decent, safe and affordable housing for low income individuals and families.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

All activities funded with State NSP funds will meet one or more of the following performance measures for the income levels of households that are 50 percent of area median income and below:

- units of housing to be acquired,
- units of housing to be rehabilitated,
- units of housing to be demolished,
- units of housing to be sold,
- units of housing to be rented, or
- parcel(s) to be acquired.

(7) Total Budget:

To Be Determined (based on sub-grantee application approval).

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs  
2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirement:

All properties will be leased to individuals and families with incomes at or below 50 percent of area median income. The income of each owner occupant will be determined at the time of purchase in accordance with 24 CFR 570.3.

The NSP-assisted units in a rental housing project must be occupied only by households that are eligible as low-income individuals or families under NSP and must meet the following requirements to qualify as affordable housing. The affordability requirements also apply to the NSP-assisted non-owner-occupied units in single-family housing purchased with NSP funds.

The maximum NSP rents are defined as the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111.

The minimum purchase discount for an individual property will be at least 5 percent. The average purchase discount for all properties purchased with NSP funds shall be at least 15 percent.

NSP financing provided will be through a grant or a loan at zero percent interest rate.

**ACTIVITY #8**

(1) Activity Name: Administration/Technical Assistance

(2) Activity Type:

NSP- An amount of up to 10 percent of an NSP grant provided to a jurisdiction and of up to 10 percent of program income earned may be used for general administration and planning activities as those are defined at 24 CFR 570.205 and 206. Increase the capacity of entities to carry out eligible NSP activities.

CDBG eligible activity  
24 CFR 570.201(p)

24 CFR 570.205  
24 CFR 570.206

(3) National Objective:

N/A

(4) Activity Description:

Administrative costs associated with overall program management, coordination, monitoring, and evaluation of the State of Florida's NSP funds.

The State Training and Technical Assistance component will include state program training and implementation components as well as a statewide capacity building component. The purpose of these funds is to provide technical expertise in planning, managing or carrying out NSP funded activities such as meeting applicable NSP requirements, increasing program management or capacity building skills. The technical assistance for state funded NSP recipients will focus on three main areas – on-site technical assistance, off-site technical assistance and workshops.

Technical assistance will focus on providing specific training in all aspects of purchasing, rehabilitating and selling or renting foreclosed or abandoned properties including: methods for identifying properties, including working with lenders; evaluating properties for acquisition once they are identified; negotiating the purchase price for individual or bulk purchases of units; coordinating NSP funds with other sources and permanent financing; appraisals; and establishing and maintaining a land bank.

(5) Location Description:

26 cities and counties identified under NSP allocation

(6) Performance Measures

N/A

(7) Total Budget:

\$9.1 million to be allocated as follows.

State NSP Program Administration	\$1.1 million
State Training and Technical Assistance	\$2.0 million
Local NSP Administration	\$6.0 million

(8) Responsible Organization:

Janice Browning, Director  
Division of Housing and Community Development  
Florida Department of Community Affairs

2555 Shumard Oak Boulevard  
Tallahassee, Florida 32399-2100

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2011

(11) Specific Activity Requirements:

This does not include costs associated with carrying out activities eligible under Section II(B)(3)(b) regarding homebuyer counseling.

# 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 ≤ 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

Secretary,  
Florida Department of Community Affairs

# NSP Substantial Amendment Checklist

*For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.*

## Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): State of Florida Lead Agency Department of Community Affairs Jurisdiction Web Address: <a href="http://www.floridacommunitydevelopment.org/cdbg/NSP.cfm">http://www.floridacommunitydevelopment.org/cdbg/NSP.cfm</a>	NSP Contact Person: Janice Browning, Director, Division of Housing and Community Development Address: 2555 Shumard Oak Blvd Telephone: 850-487-3644 Fax: 850-922-5609 Email: <a href="mailto:Janice.Browning@dca.state.fl.us">Janice.Browning@dca.state.fl.us</a>
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The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

**A. AREAS OF GREATEST NEED**

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction?

Yes  No . Verification found on page 2.

**B. DISTRIBUTION AND USES OF FUNDS**

Does the submission contain 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?

Yes  No . Verification found on page 3-9.

**Note:** The grantee’s narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

**C. DEFINITIONS AND DESCRIPTIONS**

For the purposes of the NSP, do the narratives include:

- a definition of “blighted structure” in the context of state or local law,  
 Yes  No . Verification found on page 11.
- a definition of “affordable rents,”  
 Yes  No . Verification found on page 11.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,

Yes  No . Verification found on page 11-12.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?

Yes  No . Verification found on page 12-13.

#### ***D. LOW INCOME TARGETING***

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used 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?

Yes  No . Verification found on page 13-14.

- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will 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% of area median income?

Yes  No . Verification found on page 13.  
Amount budgeted = \$22.9 million.

#### ***E. ACQUISITIONS & RELOCATION***

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes  No . (If no, continue to next heading)  
Verification found on page 14.

If so, does the substantial amendment 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?

Yes  No . Verification found on page \_\_\_\_.

- 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)?

Yes  No . Verification found on page \_\_\_\_.

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?

Yes  No . Verification found on page \_\_\_\_.

#### ***F. PUBLIC COMMENT PERIOD***

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes  No . Verification found on page 14.

Is there a summary of citizen comments included in the final amendment?

Yes  No  Verification found on page 14-15.

**G. INFORMATION BY ACTIVITY**

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,  
Yes  No  Verification found on page 15-29.
- correlated eligible activity under CDBG,  
Yes  No  Verification found on page 15-29.
- the areas of greatest need addressed by the activity or activities,  
Yes  No  Verification found on page 15-29.
- expected benefit to income-qualified persons or households or areas,  
Yes  No  Verification found on page 15-29.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used 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?  
Yes  No  Verification found on page 18 & 26.
- appropriate performance measures for the activity,  
Yes  No  Verification found on page 15-29.
- amount of funds budgeted for the activity,  
Yes  No  Verification found on page 15-29.
- the name, location and contact information for the entity that will carry out the activity,  
Yes  No  Verification found on page 15-29.
- expected start and end dates of the activity?  
Yes  No  Verification found on page 15-29.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,  
Yes  No  Verification found on page 15-29.
- If the activity provides financing, the range of interest rates (if any),  
Yes  No  Verification found on page 15-29.

- If the activity provides housing, duration or term of assistance,  
Yes  No . Verification found on page 15-29.
- tenure of beneficiaries (e.g., rental or homeownership),  
Yes  No . Verification found on page 15-29.
- does it ensure continued affordability?  
Yes  No . Verification found on page 15-29.

**H. CERTIFICATIONS**

The following certifications are complete and accurate:

- |                                                            |                                         |                             |
|------------------------------------------------------------|-----------------------------------------|-----------------------------|
| (1) Affirmatively furthering fair housing                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying                                          | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation                             | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3                                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan                                         | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months                              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds $\leq$ 120 of AMI                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force                                       | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws              | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures           | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws                                  | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |