

# **NSP GRANT SUBMISSION TEMPLATE** **& CHECKLIST**

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

- (1) The NSP Substantial Amendment (attached below)
- (2) Signed and Dated Certifications (attached below)
- (3) Signed and Dated [SF-424](#).

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

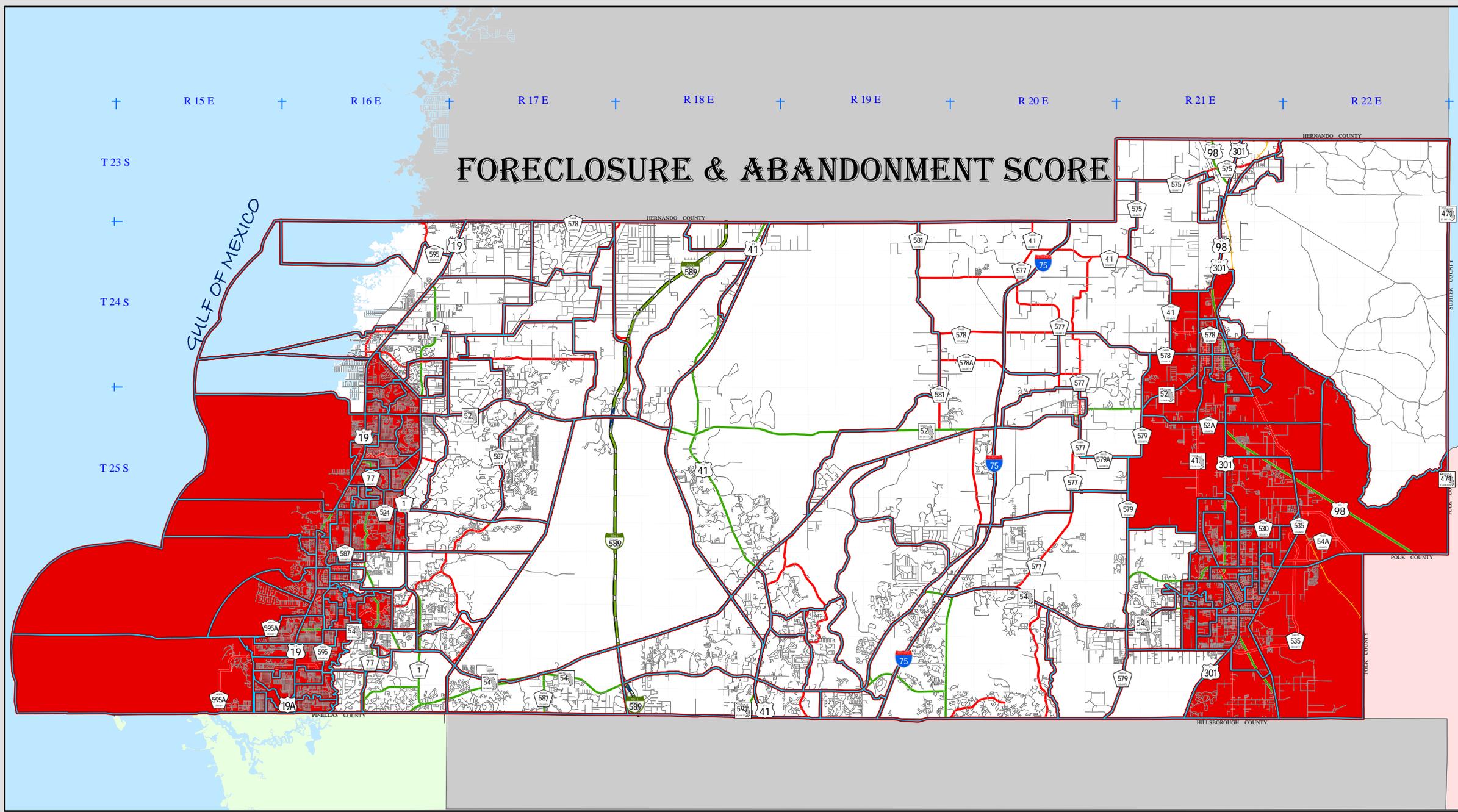
# THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>Pasco County</u> <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: George Romagnoli
Jurisdiction Web Address: www.pascocountyfl.net <i>(URL where NSP Substantial Amendment materials are posted)</i>	Address: 5640 Main Street #200 New Port Richey, FL 34652
	Telephone: (727) 834-3445
	Fax: (727) 834-3450
	Email: gromagnoli@pascocountyfl.net

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

Response: In Pasco County, data was used from the HUD User website in order to determine the areas that need to be targeted according to the requirements of Neighborhood Stabilization Act.

In order to identify areas with greatest foreclosures, the HUD User data for foreclosure abandonment score was used. All census block groups in Pasco County that have a score higher than 7 are targeted for assistance.



# FORECLOSURE & ABANDONMENT SCORE

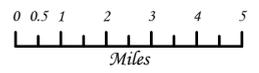
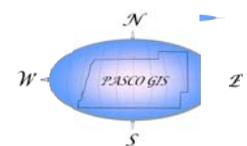
## 2000 Pasco County Census Tracts and Block Groups

**Legend**

- Pasco Block Groups
- Pasco Census Tracts

**Score**

- 7% and Over



Source: Federal Department of Housing & Urban Development

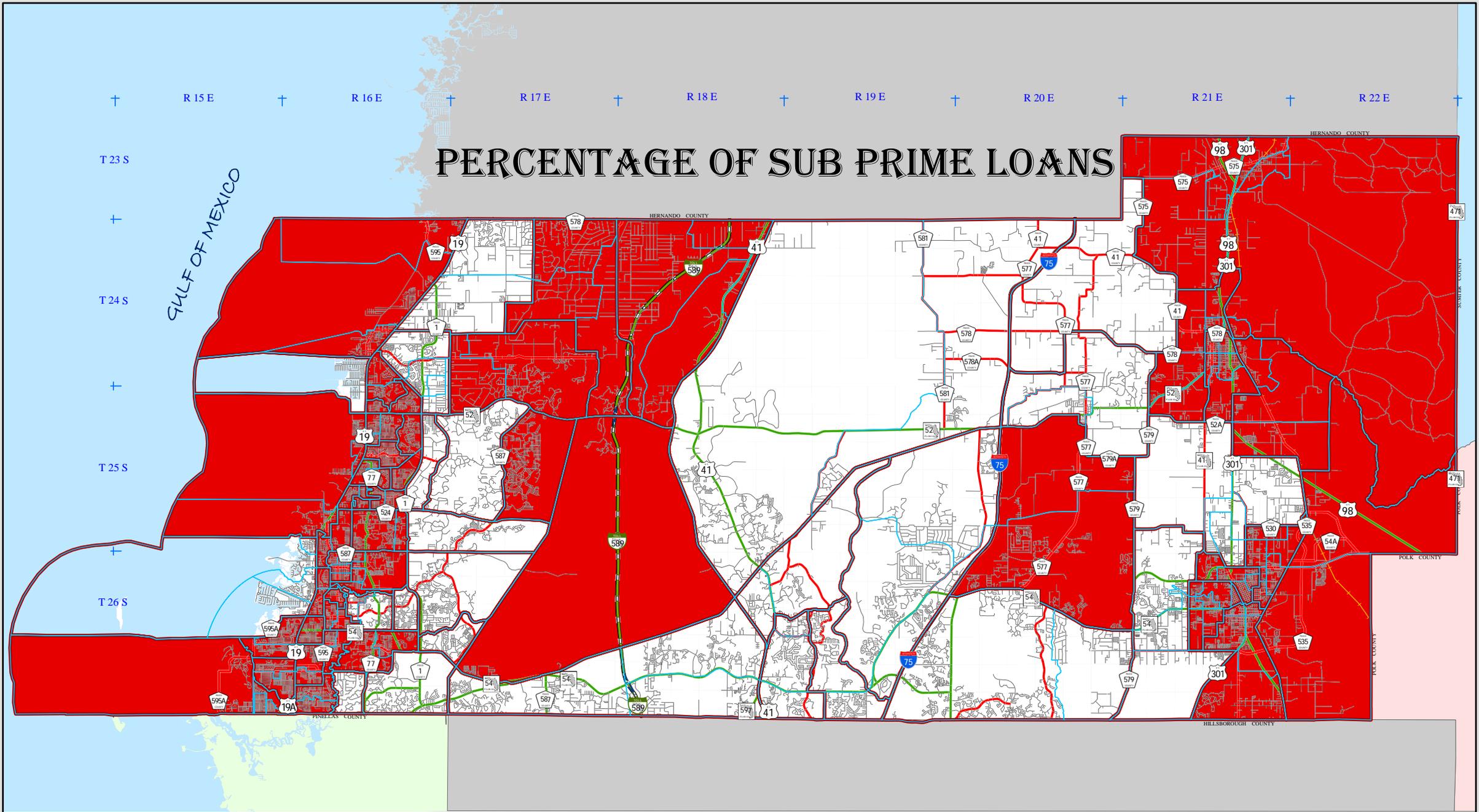
**Pasco County, Florida**  
 Geographic Information Systems  
 (G.I.S.)  
 Engineering Services  
 Survey Department

This map is for informational purposes only. The data contained herein is not collected under the supervision of, or approved by, a licensed surveyor. It is not intended for any legal use. The data not meet the minimum technical standards under the Florida Administrative Code 61G17-4. The Pasco County Board of County Commissioners does not accept any responsibility for errors or omissions of any kind contained in the data herein. All products and derivations from the data contained herein must retain this disclaimer.

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These areas are located principally on the eastern and western areas of the County, which is also where the County's oldest housing stock is located and where the majority of low and moderate income households are located.

In order to identify areas with the highest percentage of homes financed by subprime mortgage related loans, HUD User data was used. All census block groups which have a score higher than 31%, are targeted for assistance.

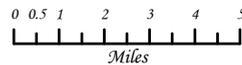
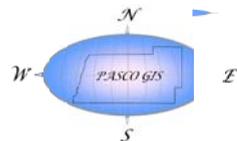


# PERCENTAGE OF SUB PRIME LOANS

## 2000 Pasco County Census Tracts and Block Groups

- Legend**
- Pasco Block Groups
  - Pasco Census Tracts
  - 31% and Over

Source: Federal Department of Housing & Urban Development



**Pasco County, Florida**  
 Geographic Information Systems  
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 Engineering Services  
 Survey Department



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With Map I and Map II, there are some important distinctions. Map II includes some areas where there has been a great deal of new construction, particularly Wesley Chapel and areas along the Suncoast Expressway. Additionally, rural areas such as Shady Hills and Lacochee are now included.

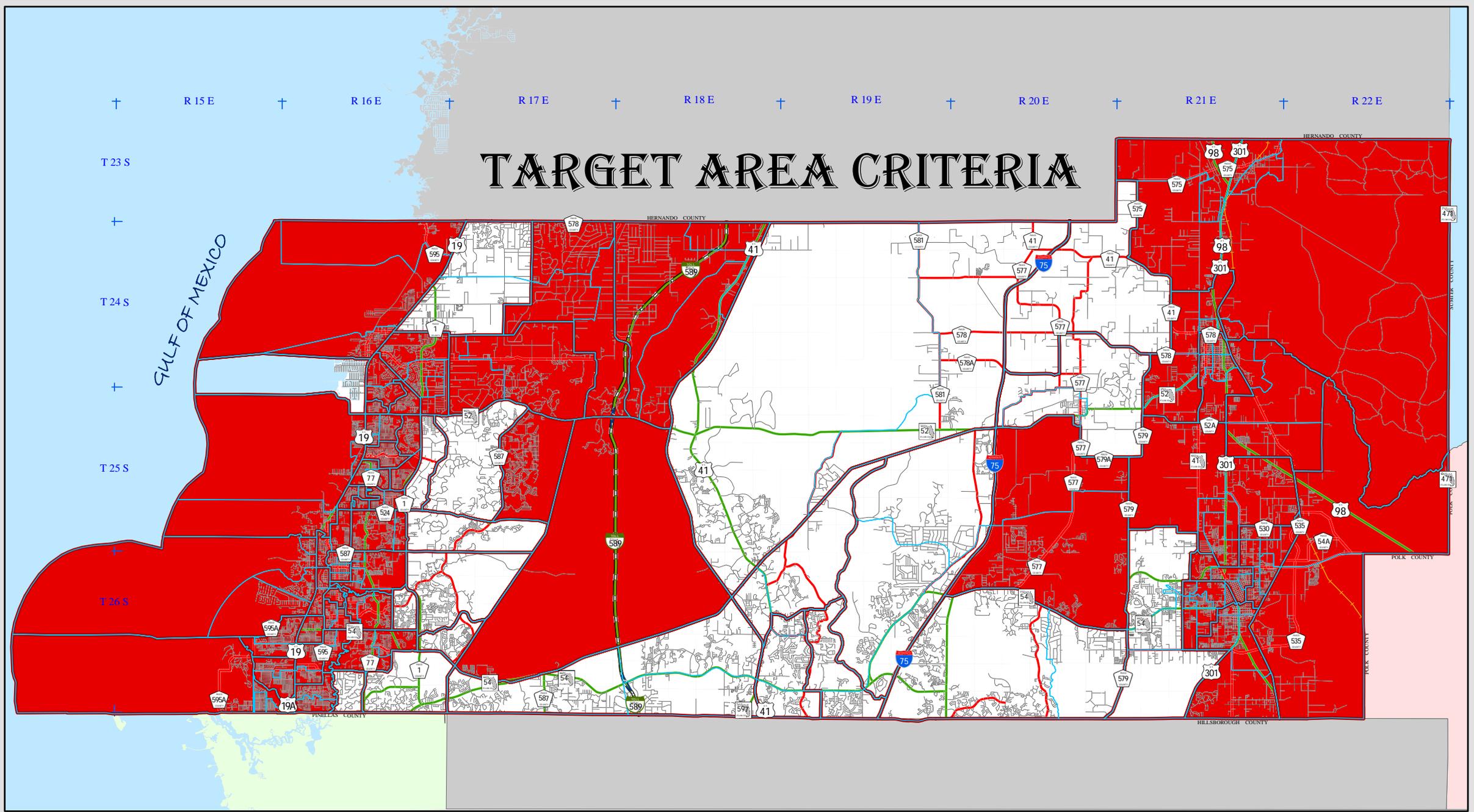
In order to identify those areas likely to face a significant rise in the rate of home foreclosures HUD User data was used. All census block groups which have a score higher than 31% were used.



Map II and Map III are very similar. Comparing the two maps, it shows that the area that had a predominate amount of subprime lending is the path for the future foreclosures in the County.

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

Response: Based on the analysis above, Pasco County will spend NSP funds in census block groups that meet one of the three criteria listed above:

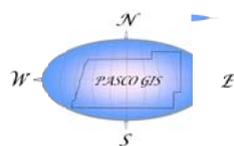


# TARGET AREA CRITERIA

2000 Pasco County Census Tracts and Block Groups

- Legend**
- Pasco Block Groups
  - Pasco Census Tracts
- Targeted Area**
- 

Source: Federal Department of Housing & Urban Development



**Pasco County, Florida**  
 Geographic Information Systems  
 (G.I.S.)  
 Engineering Services  
 Survey Department

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Created: PMW Printed: 11/14/2008

This map includes the following Census Tracts:

301	310.01	314.02	325
302.01	310.02	314.03	326
303	310.03	314.04	327
304.01	310.04	314.05	328
304.02	310.05	315.01	330.01
304.03	310.06	315.03	330.02
305	310.07	317.01	330.03
306	311.01	317.03	330.04
307	311.02	318.02	331
308	312.01	318.03	
309.01	312.02	321.02	
309.02	314.01	324	

These are the areas of the County that have been most affected by the foreclosure crisis. While most of the County is not included, the most hard-hit areas have been targeted for assistance.

**C. DEFINITIONS AND DESCRIPTIONS**

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

Response: A blighted structure is not safe to live in. Major structural damage is clearly visible. Portions of the unit may be collapsed or in a state of total disrepair. Rehabilitation of the unit is not economically feasible under normal circumstances. All blighted structures must be certified that they are in that state by the City or County Building Official.

(2) Definition of “affordable rents.”

Response: The maximum affordable rents shall not exceed the “Fair Market Rent” as published by the Department of Housing and Urban Development for the Tampa-St. Petersburg- Clearwater Standard Metropolitan Statistical Area.

Currently, the Fair Market Rents are as follows:

Size	Amount
Efficiency	\$ 658
1 Bedroom	\$ 730
2 Bedrooms	\$ 883
3 Bedrooms	\$1,119
4 Bedrooms	\$1,351

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

Response: Pasco County will use the standards of HOME Regulations 92.252 (a) (c) (e) and (f) and 92.254 for continued affordability.

For rental projects:

*Periods of Affordability.* The assisted units must meet the affordability requirements for not less than the twenty years, beginning after project completion. The affordability requirements will be imposed by deed restrictions and mortgages, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure.

The County reserves the right to impose a longer period of affordability (this conforms to HOME regulations 92.252 (e)) and foreclose and take the property if the rental restrictions are not followed.

The following standards shall also apply from the HOME Program regulations:

*Rent limitation.* HUD provides the following maximum rent limits. The maximum rents are the lesser of:

1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
2. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit (this conforms with HOME regulations 92.252 (a)).

*Initial rent schedule and utility allowances.* Pasco County will establish maximum monthly allowances for utilities and services (excluding telephone). The County will review and approve rents proposed by the owner for units subject to the maximum rent limitations listed above. For all units subject to the maximum rent limitations for which the tenant is paying utilities and services, Pasco County will ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services (this conforms with HOME regulations 92.252 (c)).

*Subsequent rents during the affordability period.*

1. The maximum NSP rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum NSP rent limits to Pasco County. Regardless of changes in fair market rents and in median income over time, the NSP rents for a project are not required to be lower than the NSP rent limits for the project in effect at the time of project commitment.
2. Pasco County will provide project owners with information on updated NSP rent limits so that rents may be adjusted (not to exceed the maximum NSP rent limits as stated in the HOME rule 92.252(f)(1) in accordance with the written agreement between the participating jurisdiction and the owner. Owners must annually provide the participating jurisdiction with information on rents and occupancy of NSP-assisted units to demonstrate compliance with this section.
3. Any increase in rents for NSP-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents (this conforms with 92.252 (f)).

For homeownership projects, Pasco County will recapture all NSP funds. Those funds will be used for another NSP eligible project with an NSP eligible client.

Also to ensure affordability, two shared equity provisions will be in place through a mortgage and note that will also prevent flipping of homes. Pasco County will recapture at time of re-sale or payoff the amount of equity that is not mortgaged by the lender loan and the County loan combined, at time of purchase. Additionally if the homebuyer sells or transfers the property within the first five years of ownership, there will be a penalty. A portion of the appreciated sales price will be shared with the County, in addition to the principal balance that is owed. For the first three years that percentage is 50%; for years 4 and 5 it is 25%. Appreciation is defined as the gain a homebuyer receives from the sale of the home, less any reasonable title and real estate costs. The cost of home improvements completed with building permits also shall be deducted from this amount. Under no conditions shall this penalty be more than twice the amount of the original County loan. Also, the penalty may not be more than the cash available at closing.

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

All housing rehabilitated by Pasco County must meet the standards of the Pasco County Homebuyer Assistance Program Minimum Housing Standard Checklist (See Appendix A).

***D. LOW INCOME TARGETING***

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

Response: Pasco County will ensure that it spends at least 25% of grants funds for individuals and families that earn less than 50% of the median income through the following programs:

Homebuyer Assistance Program	\$2,000,000
Pasco Opportunity Program	\$2,250,000
Special Needs Housing	\$2,000,000
Construction	\$ 130,000
Total	\$6,380,000

This is 33% of the allocation of NSP funds.

***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: Pasco County estimates that it will demolish 80 structures under the NSP. It is estimated that 70% will be dwelling units that were affordable (when they were in standard condition) to families under 80% of the median income. No units are expected to be converted.

Units to be created

Program	Units < 120% Median (Total Units)	Units <50% Median
<b>Homebuyer Assistance Program</b>	163	50
Projected Start Date: February 1, 2009		
Projected End Date: February 1, 2013 (This project will continue if program income is available for use)		
<b>Pasco Opportunity Program</b>	100	25
Projected Start Date: February 1, 2009		
Projected End Date: February 1, 2013 (This project will continue if program income is available for use)		
<b>Special Needs Housing</b>	15	15
Projected Start Date: February 1, 2009		
Projected End Date: February 1, 2013 (This project will continue if program income is available for use)		
<b>Construction</b>	7	1
Projected Start Date: February 1, 2009		
Projected End Date: February 1, 2013 (This project will continue if program income is available for use)		

***F. PUBLIC COMMENT***

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

Response:

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

**All Activities, Budget and Units:**

Homebuyer Assistance Program	\$6,500,000	163
Pasco Opportunity Program	\$8,995,790	100
Demolition Program	\$ 400,000	80
Special Needs Housing Program	\$2,000,000	15
NSP Construction Program	\$1,000,000	7
Administration	\$ 600,015	
Total	\$19,495,805	365

**(1) Activity Name: Homebuyer Assistance Program (Homeownership)**

(2) Activity Type: NSP Eligible Use: (A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.

CDBG Eligible Activity: 570.201 (a) Acquisition  
570.201 (b) Disposition  
570.201 (n) Homeowner Assistance  
570.202 Rehabilitation

(3) National Objective: This activity will assist low, moderate and middle income persons, as defined by the Neighborhood Stabilization program (households earning less than 120% of the median income).

(4) Activity Description: This program will provide downpayment, closing cost and rehabilitation assistance to homebuyers purchasing foreclosed and abandoned homes. These funds will be used in those areas identified in Map IV, which have been identified as the area of greatest need in the County.

One of the most difficult tasks for a family who would like to be a homebuyer is to save the money needed for a down payment on a home. As housing prices have dramatically fallen, a reasonable housing payment is more and more within the range of families. However, the credit crisis has caused many lenders to increase the amount of funds required by borrowers to put into the purchase. NSP funds will assist those individuals and families to become homeowners.

Homeownership is a key indicator of neighborhood stability, especially in neighborhoods that are predominately single-family homes. Homeowners tend to live in their homes longer, tend to keep their yards and homes in better conditions, and take action about crime in their area. This is not always true for renters and their landlords.

These funds will be used for all eligible income levels, including those under 50% of the median income.

Recipients of funds will receive the following levels of assistance for downpayment and closing costs:

Under 50% of the median income	Up to half of the sales price
Under 120% of the median income	Up to \$20,000

Additional funds of up to \$10,000 shall be available to the following essential service workers: government employees; School Board employees; other educational employees, including private education and higher education; law enforcement personnel; active military and retirees; and health care workers. It should be noted that eligible homebuyers will only receive these funds if it is necessary to complete the purchase of the home.

Rehabilitation assistance will be in addition to the funds mentioned above, but under no circumstances shall the NSP loan amount be more than 50% of the sales price. County staff will manage the rehabilitation process, which will occur after the closing of the loan. Rehabilitation is a much easier process if the families are not living in the home, so clients will receive a \$1,000 grant per month until the house construction is completed if they live in another location during construction.

The funds that recipients will receive from the County are in the form of a 0% loan. If the recipient can afford payments immediately, a payment plan will be designed. If the client cannot afford payments immediately, payments will be deferred for five years. Payments can be up to 30 years.

To ensure affordability, homebuyer assistance will recapture all funds. Those funds will be used for another NSP eligible project with an NSP eligible client.

In order to apply for these funds, applicants will apply through lenders that have signed Cooperation Agreements with the County for its homebuyer programs. The lender will underwrite the loan and see if the applicant is eligible for the program. When the lender has approved the loan, the package will be sent to the County. County staff will make sure that the client is eligible for the program. County staff will inspect the home and make sure it meets the Minimum Housing Standard Checklist, and perform a visual lead based paint assessment (if applicable), and have the paint tested, if necessary. At the same time, the County will order an appraisal from its team of appraisers to make sure that the sales price is acceptable according to the NSP requirements. The appraisal will be also reviewed by the County's Real Estate Division to make sure it meets all County and Federal requirements.

If the applicant and the homes meet all NSP requirements, a loan closing will be scheduled, and the County will begin the rehab process, if needed, to correct the violations as noted from the Minimum Housing Standard Checklist. Working with the homeowner, a work-write-up will be prepared, and bid out to contractors approved by the County.

County staff will ensure that construction is done correctly, and approve payments along with the homeowner.

All NSP homebuyers will receive 8 hours of counseling from a HUD approved counseling agency, before obtaining a mortgage loan, which is an eligible expense under this strategy.

Pasco County will ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>). Pasco County will design its NSP programs to comply with this requirement and will document compliance in the records for each homebuyer. Pasco County will not permit homebuyers to obtain subprime mortgages for whom such mortgages are inappropriate, including homebuyers who qualify for traditional mortgage loans.

(5) Location Description: This activity shall take place in the census block groups shown in Map IV.

(6) Performance Measures: Pasco County estimates the following amount of units to be units assisted:

Households less than 50% of the median income:	50
Households 51-80% of the median income:	50
Households 81-120% of the median income:	63

(7) Total Budget:

NSP Funds	\$ 6,500,000
Lenders Funds	\$ 9,780,000
Owner Contribution	\$ 163,000
Total	\$16,443,000

This budget is based on the following assumptions: 163 units; average downpayment and rehabilitation cost of \$40,000; average bank loan of \$60,000; and average homebuyer contribution of \$1,000.

(8) Responsible Organization: Pasco County Community Development Division, George Romagnoli, AICP, Community Development Manager, 5640 Main Street #200, New Port Richey, FL 34652

(9) Projected Start Date: February 1, 2009

(10) Projected End Date: February 1, 2013 (This project will continue if program income is available for use)

(11) Specific Activity Requirements:

Discount Rate: The sales price shall have a minimum discount of 5% from the appraisal obtained by Pasco County for the property. The minimum average discount for the portfolio of properties acquired with NSP funds shall be 15%, unless the County

develops a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent), then the aggregate discount will be 10%. Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest. The procedures to implement such methodology shall be in writing and applied consistently to all purchases. The analysis for each purchase transaction shall be documented in the County's records.

Range of Interest Rates: All Pasco County loans through the NSP shall be 0%.

Lenders are limited by County regulations to have loans with interest rates no more than 1% above the Freddie Mac average rate, which as of October 30, 2008, would make that maximum rate 7.04%. Over the next 4 years, with both the country in a recession and the possibility of massive inflation through the Federal Reserve Board's rate cuts, rates may go as low 4% and as high as 12%.

Duration of Term of Assistance: The maximum length of a NSP loan shall be 30 years. Payback loans may be as short as two years, if the loan is for a small amount, and the homebuyers can afford the payments. Deferred payment loans shall be according to the following schedule:

<u>Loan Amount</u>	<u>Term of Loan</u>	<u>Maximum Payment</u>
\$0 - \$5,000	10 years	\$41.67 per month
\$5,001 - \$10,000	15 years	\$55.56 per month
\$10,001 - \$15,000	20 years	\$62.50 per month
\$15,001 - \$20,000	25 years	\$66.67 per month
\$20,001 - \$25,000	30 years	\$69.44 per month
\$25,001 - \$30,000	30 years	\$83.33 per month
\$30,001 - \$35,000	30 years	\$97.22 per month
\$35,001 - \$40,000	30 years	\$111.11 per month
\$40,001 - \$45,000	30 years	\$125.00 per month
\$45,001 - \$50,000	30 years	\$138.89 per month

The County can defer payments longer if the homebuyer cannot afford payments when the loan payments are due. Applications are required through the Community Development Division.

Tenure of Beneficiaries: All beneficiaries under this program will be homebuyers.

Continued Affordability: To ensure affordability, Pasco County will recapture all funds. Those funds will be used for another NSP eligible project with an NSP eligible client.

Also to ensure affordability, two shared equity provisions will be in place through a mortgage and note that will also prevent flipping of homes. Pasco County will recapture

at time of re-sale or payoff the amount of equity that is not mortgaged by the lender loan and the County loan combined, at time of purchase. Additionally if the homebuyer sells or transfers the property within the first five years of ownership, there will be a penalty. A portion of the appreciated sales price will be shared with the County, in addition to the principal balance that is owed. For the first three years that percentage is 50%; for years 4 and 5 it is 25%. Appreciation is defined as the gain a homebuyer receives from the sale of the home, less any reasonable title and real estate costs. The cost of home improvements completed with building permits also shall be deducted from this amount. Under no conditions shall this penalty be more than twice the amount of the original County loan. Also, the penalty may not be more than the cash available at closing.

**(2) Activity Name: Pasco Opportunity Program**

(2) Activity Type: NSP Eligible Use: (B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Activity:	570.201 (a)	Acquisition
	570.201 (b)	Disposition
	570.201 (n)	Homeowner Assistance
	570.202	Rehabilitation

(3) National Objective: This activity will assist low, moderate and middle income persons, as defined by the Neighborhood Stabilization program (households earning less than 120% of the median income).

(4) Activity Description: This program will provide funds to not for-profit agencies to purchase foreclosed and abandoned homes, repair them, and sell them to eligible homebuyers. These funds will be used in those areas identified in Map IV, which have been identified as the area of greatest need in the County. NSP funds may be used for just rehabilitation if other funds are used for acquisition.

Many of the homes that meet the foreclosed/abandoned definition are in great need of repairs. These homes bring down the quality of life for the entire neighborhood. Broken windows are not repaired. The lawn is not cut. Debris and refuse is not removed. Agencies will purchase the homes with NSP assistance. Working together, the agencies and the County will repair the home and sell them to an eligible homebuyer. These funds will be used for all income levels, including those under 50% of the median income.

Homebuyers that buy these homes will receive the following levels of assistance for downpayment and closing costs:

Under 50% of the median income	Up to half of the sales price
Under 120% of the median income	Up to \$20,000

Additional funds of up to \$10,000 shall be available to the following essential service workers: government employees; School Board employees; other educational employees,

including private education and higher education; law enforcement personnel; active military and retirees; and health care workers. It should be noted that eligible homebuyers will only receive these funds if it is necessary to complete the purchase of the home, and the maximum loan amount can be no more than 50% of the sales price.

The funds that recipients will receive from the County are in the form of a 0% loan. If the recipient can afford payments immediately, a payment plan will be designed. If the client cannot afford payments immediately, payments will be deferred for five years. Payments can be up to 30 years.

To ensure affordability, Pasco County will recapture all funds. Those funds will be used for another NSP eligible project with an NSP eligible client.

In order to apply for these funds, applicants will apply through lenders that have signed Cooperation Agreements with the County for its homebuyer programs. The lender will underwrite the loan and see if the applicant is eligible for the program. When the lender has approved the loan, the package will be sent to the County. County staff will make sure that the client is eligible for the program. County staff will inspect the home and make sure it meets the Minimum Housing Standard Checklist, and perform a visual lead based paint assessment (if applicable), and have the paint tested, if necessary. At the same time, the County will order an appraisal from its team of appraisers to make sure that the sales price is acceptable according to the NSP requirements. The appraisal will be also reviewed by the County's Real Estate Division to make sure it meets all County and Federal requirements.

If the applicant and the homes meet all NSP requirements, a loan closing will be scheduled.

All NSP homebuyers will receive 8 hours of counseling from a HUD approved counseling agency, before obtaining a mortgage loan, which is an eligible expense under this strategy.

Pasco County will ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>). Pasco County will design its NSP programs to comply with this requirement and will document compliance in the records for each homebuyer. Pasco County will not permit homebuyers to obtain subprime mortgages for whom such mortgages are inappropriate, including homebuyers who qualify for traditional mortgage loans.

The sales price of a home that is purchased, redeveloped, or otherwise sold to an individual shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate such home or property up to a decent, safe, and habitable condition. (Sales and closing costs are eligible NSP redevelopment or rehabilitation costs.) The maximum sales price for a property is determined by aggregating all costs of acquisition,

rehabilitation, and redevelopment (including related activity delivery costs, which generally may include, among other items, costs related to the sale of the property).

(5) Location Description: This activity shall take place in the census block groups shown in Map IV.

(6) Performance Measures: Pasco County estimates the following amount of units to be units assisted:

Households less than 50% of the median income:	25
Households 51-80% of the median income:	50
Households 81-120% of the median income:	25

(7) <u>Total Budget</u> :	NSP Funds	\$ 8,995,790
	Lenders Funds	\$ 6,000,000
	Owner Contribution	\$ 400,000
	Total	\$15,395,790

This budget is based on the following assumptions: 100 units; average acquisition and rehabilitation cost of \$90,000 (this includes funds that may be left in the project for downpayment assistance to the homebuyer); average bank loan of \$60,000; and average homebuyer contribution of \$4,000.

(8) Responsible Organization: Pasco County Community Development Division, George Romagnoli, AICP, Community Development Manager, 5640 Main Street #200, New Port Richey, FL 34652

(9) Projected Start Date: February 1, 2009

(10) Projected End Date: February 1, 2013 (This project will continue if program income is available for use)

(11) Specific Activity Requirements:

Discount Rate: The sales price shall have a minimum discount of 5% from the appraisal obtained by Pasco County for the property. The minimum average discount for the portfolio of properties acquired with NSP funds shall be 15%, unless the County develops a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent), then the aggregate discount will be 10%. Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest. The procedures to implement such methodology shall be in writing and applied consistently to all purchases. The analysis for each purchase transaction shall be documented in the County's records.

Range of Interest Rates: All Pasco County loans through the NSP shall be 0%.

Lenders are limited by County regulations to have loans with interest rates no more than 1% above the Freddie Mac average rate, which as of October 30, 2008, would make that maximum rate 7.04%. Over the next 4 years, with both the country in a recession and the possibility of massive inflation through the Federal Reserve Board's rate cuts, rates may go as low 4% and as high as 12%.

Duration of Term of Assistance: The County will lend the agency funds to purchase and rehabilitate the structure. This will be in the form of a 0% deferred loan with a one year term. The County, at its option, may renew the loan if the one year period ends.

For the eventual homebuyer, the maximum length of a NSP loan shall be 30 years. Payback loans may be as short as two years, if the loan is for a small amount, and the homebuyers can afford the payments. Deferred payment loans shall be according to the following schedule:

<u>Loan Amount</u>	<u>Term of Loan</u>	<u>Maximum Payment</u>
\$0 - \$5,000	10 years	\$41.67 per month
\$5,001 - \$10,000	15 years	\$55.56 per month
\$10,001 - \$15,000	20 years	\$62.50 per month
\$15,001 - \$20,000	25 years	\$66.67 per month
\$20,001 - \$25,000	30 years	\$69.44 per month
\$25,001 - \$30,000	30 years	\$83.33 per month
\$30,001 - \$35,000	30 years	\$97.22 per month
\$35,001 - \$40,000	30 years	\$111.11 per month
\$40,001 - \$45,000	30 years	\$125.00 per month
\$45,001 - \$50,000	30 years	\$138.89 per month

The County can defer payments longer if the homebuyer cannot afford payments when the loan payments are due. Applications are required through the Community Development Division.

Tenure of Beneficiaries: All beneficiaries under this program will be homebuyers.

Continued Affordability: To ensure affordability, Pasco County will recapture all funds. Those funds will be used for another NSP eligible project with an NSP eligible client.

Also to ensure affordability, two shared equity provisions will be in place through a mortgage and note that will also prevent flipping of homes. Pasco County will recapture at time of re-sale or payoff the amount of equity that is not mortgaged by the lender loan and the County loan combined, at time of purchase. Additionally if the homebuyer sells or transfers the property within the first five years of ownership, there will be a penalty. A portion of the appreciated sales price will be shared with the County, in addition to the principal balance that is owed. For the first three years that percentage is 50%; for years 4 and 5 it is 25%. Appreciation is defined as the gain a homebuyer receives from the sale of

the home, less any reasonable title and real estate costs. The cost of home improvements completed with building permits also shall be deducted from this amount. Under no conditions shall this penalty be more than twice the amount of the original County loan. Also, the penalty may not be more than the cash available at closing.

**(3) Activity Name: Demolition Program**

(2) Activity Type: NSP Eligible Use: (D) demolish blighted structures.

CDBG Eligible Activity: 570.201 (d) Clearance

(3) National Objective: This activity will assist low, moderate and middle income persons, as defined by the Neighborhood Stabilization program (households earning less than 120% of the median income).

(4) Activity Description There are many blighted structures in Pasco County. These structures not only decay and hurt neighborhoods and property values, but also become an attractive nuisance for drug users and destructive youth. NSP funds will be used to demolish these structures. As per NSP regulations, all structures are eligible, they need not be abandoned or foreclosed, nor do they have to be residential structures.

Buildings are condemned by the City or County Building Official, and a notice is sent to all interested parties. If the condemnation decision is not appealed nor the building demolished by the owner, the County will demolish the structure and place a lien on the property. One impediment to demolitions in the past has been foreclosure legal actions. With NSP funds, the County will now be able to pay for legal counsel to enter foreclosure legal actions and legally condemn and demolish a structure.

The liens may be foreclosed upon. When they are, and the County obtains the property, housing units will be built for NSP eligible clients, with NSP or non-NSP funds. Liens that are paid-off will be placed in the NSP fund to fund NSP eligible activities.

NSP funds may be used to demolish blighted structures not condemned by the building official if the owner of the property voluntarily agrees to allow the County to remove the structure and allow a lien to be placed on the property.

(5) Location Description: This activity shall take place in the census block groups shown in Map IV.

(6) Performance Measures: Pasco County estimates that 80 units will be demolished.

(7) Total Budget: NSP Funds \$400,000

This budget is based on the following assumption: 80 units, \$5,000 per unit to demolish.

(8) Responsible Organization: Pasco County Community Development Division, George Romagnoli, AICP, Community Development Manager, 5640 Main Street #200, New Port Richey, FL 34652

(9) Projected Start Date: February 1, 2009

(10) Projected End Date: February 1, 2013 (This project will continue if program income is available for use)

(11) Specific Activity Requirements:

Range of Interest Rates: The interest rate on demolition liens is 0-8%.

**(4) Activity Name: Special Needs Housing Program**

(2) Activity Type: NSP Eligible Use: (B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Activity:	570.201 (a)	Acquisition
	570.201 (b)	Disposition
	570.201 (c)	Public Facilities
	570.202	Rehabilitation

(3) National Objective: This activity will assist low, moderate and middle income persons, as defined by the Neighborhood Stabilization program (households earning less than 120% of the median income).

(4) Activity Description: With all the discussion of the hard times that homeowners have faced with the foreclosure crisis, the families and individuals that have always had the worst housing situations have almost been forgotten. This includes the developmentally and physically disabled, aged-out foster children, the elderly, the homeless, domestic violence victims, persons living with HIV/AIDS, farmworker's and other populations on fixed incomes without any prospect of a higher income in the future. The lucky ones find decent and safe subsidized housing with supportive services where they can live and function. For many of the others, unsafe housing, moving from place to place, and homelessness is their unfortunate condition.

With NSP funds, foreclosed/abandoned properties will be purchased, rehabilitated and used for these populations. Not-for-profit agencies that provide supportive services will be chosen to own and manage the property, and rent to eligible renters. This program will only be for individuals and families that earn less than 50% of the median income.

(5) Location Description: This activity shall take place in the census block groups shown in Map IV.

(6) Performance Measures: Pasco County estimates the following amount of units to be units assisted:

Households less than 50% of the median income:	15
Households 51-80% of the median income:	0
Households 81-120% of the median income:	0

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

This budget is based on the following assumptions: 15 units; average acquisition and rehabilitation cost of \$130,000.

(8) Responsible Organization: Pasco County Community Development Division, George Romagnoli, AICP, Community Development Manager, 5640 Main Street #200, New Port Richey, FL 34652

(9) Projected Start Date: February 1, 2009

(10) Projected End Date: February 1, 2013 (This project will continue if program income is available for use)

(11) Specific Activity Requirements:

Discount Rate: The sales price shall have a minimum discount of 5% from the appraisal obtained by Pasco County for the property. The minimum average discount for the portfolio of properties acquired with NSP funds shall be 15%, unless the County develops a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent), then the aggregate discount will be 10%. Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest. The procedures to implement such methodology shall be in writing and applied consistently to all purchases. The analysis for each purchase transaction shall be documented in the County's records.

Range of Interest Rates: All Pasco County loans through the NSP shall be 0%.

Duration of Term of Assistance: The County will lend the funds to the agency for at least 20 years. The County reserves the right to have a longer period if it desires. The loan will not be paid back unless the agency changes the NSP eligible use, sells or transfers the property, or vacates the property without County permission.

Tenure of Beneficiaries: All beneficiaries under this program will be renters.

Continued Affordability: The affordability period will be for at least 20 years. The County reserves the right to have a longer affordability period if it chooses.

(5) Activity Name: NSP Construction Program

(2) Activity Type: NSP Eligible Use: (E) redevelop demolished or vacant properties.

CDBG Eligible Activity      570.201 (a) Acquisition  
570.201 (m) Construction of Housing

## 570.201 (n) Homebuyer Assistance

(3) National Objective: This activity will assist low, moderate and middle income persons, as defined by the Neighborhood Stabilization program (households earning less than 120% of the median income).

(4) Activity Description: While the NSP is primarily focused on foreclosed and abandoned homes, vacant property is an underutilized asset that can be used to create housing opportunities for eligible individuals and families. Vacant properties produce lower taxes, and can be an eyesore in neighborhoods.

Homebuyers that buy these homes will receive the following levels of assistance for downpayment and closing costs:

Under 50% of the median income	Up to half of the sales price
Under 120% of the median income	Up to \$20,000

Additional funds of up to \$10,000 shall be available to the following essential service workers: government employees; School Board employees; educational employees, including private education and higher education; law enforcement personnel; active military and retirees; and health care workers. It should be noted that eligible homebuyers will only receive these funds if it is necessary to complete the purchase of the home. The maximum assistance to NSP client is no more than 50% of the sales price.

The funds that recipients will receive from the County are in the form of a 0% loan. If the recipient can afford payments immediately, a payment plan will be designed. If the client cannot afford payments immediately, payments will be deferred for five years. Payments can be up to 30 years.

To ensure affordability, Pasco County will recapture all funds. Those funds will be used for another NSP eligible project with an NSP eligible client.

In order to apply for these funds, homebuyers will apply through lenders that have signed Cooperation Agreements with the County for its homebuyer programs. The lender will underwrite the loan and see if the homebuyer is eligible for the program. When the lender has approved the loan, the package will be sent to the County. County staff will make sure that the client is eligible for the program. County staff will inspect the home and make sure it meets the County Building Code. At the same time, the County will order an appraisal from its team of appraisers to make sure that the sales price is acceptable according to the NSP requirements. The appraisal will be also reviewed by the County's Real Estate Division to make sure it meets all County and Federal requirements.

If the applicant and the homes meet all NSP requirements, a loan closing will be scheduled.

All NSP homebuyers will receive 8 hours of counseling from a HUD approved counseling agency, before obtaining a mortgage loan, which is an eligible expense under this strategy.

Pasco County will ensure that the homebuyer obtains a mortgage loan from a lender who agrees to comply with the bank regulators' guidance for non-traditional mortgages (see, Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>).

Pasco County will design its NSP programs to comply with this requirement and will document compliance in the records for each homebuyer. Pasco County will not permit homebuyers to obtain subprime mortgages for whom such mortgages are inappropriate, including homebuyers who qualify for traditional mortgage loans.

The sales price of a home that is purchased, redeveloped, or otherwise sold to an individual shall be in an amount equal to or less than the cost to acquire and redevelop such home or property up to a decent, safe, and habitable condition. (Sales and closing costs are eligible NSP redevelopment costs.) The maximum sales price for a property is determined by aggregating all costs of acquisition and redevelopment (including related activity delivery costs, which generally may include, among other items, costs related to the sale of the property).

(5) Location Description: This activity shall take place in the census block groups shown in Map IV.

(6) Performance Measures: Pasco County estimates the following amount of units to be assisted:

Households less than 50% of the median income:	1
Households 51-80% of the median income:	3
Households 81-120% of the median income:	3

(7) Total Budget:

NSP Funds	\$1,000,000
Lenders Funds	\$ 700,000
Owner Contribution	\$ 7,000
Total	\$1,707,000

This budget is based on the following assumptions: 7 units; average acquisition and construction cost of \$130,000 (this includes funds that may be left in the project for downpayment assistance to the homebuyer); average bank loan of \$100,000; and average homebuyer contribution of \$1,000.

(8) Responsible Organization: Pasco County Community Development Division, George Romagnoli, AICP, Community Development Manager, 5640 Main Street #200, New Port Richey, FL 34652

(9) Projected Start Date: February 1, 2009

(10) Projected End Date: February 1, 2013 (This project will continue if program income is available for use)

(11) Specific Activity Requirements:

Discount Rate: The sales price shall have a minimum discount of 5% from the appraisal obtained by Pasco County for the property. The minimum average discount for the portfolio of properties acquired with NSP funds shall be 15%, unless the County develops a methodology that results in a discount equivalent to the total carrying costs that would be incurred by the seller if the property were not purchased with NSP funds (provided the discount is at least 5 percent), then the aggregate discount will be 10%. Such methodology shall provide for an analysis of the estimated holding period for the property and the nature and amount of the carrying costs of holding the property for this period. Such carrying costs shall include, but not be limited to: taxes, insurance, maintenance, marketing, overhead, and interest. The procedures to implement such methodology shall be in writing and applied consistently to all purchases. The analysis for each purchase transaction shall be documented in the County's records.

Range of Interest Rates: All Pasco County loans through the NSP shall be 0%.

Lenders are limited by County regulations to have loans with interest rates no more than 1% above the Freddie Mac average rate, which as of October 30, 2008, would make that maximum rate 7.04%. Over the next 4 years, with both the country in a recession and the possibility of massive inflation through the Federal Reserve Board's rate cuts, rates may go as low 4% and as high as 12%.

Duration of Term of Assistance: The County will lend the agency funds to purchase and construct the structure. This will be in the form of a 0% deferred loan with a one year term. The County, at its option, may renew the loan if the one year period ends. For the eventual homebuyer, the maximum length of a NSP loan shall be 30 years. Payback loans may be as short as two years, if the loan is for a small amount, and the homebuyers can afford the payments. Deferred payment loans shall be according to the following schedule:

<u>Loan Amount</u>	<u>Term of Loan</u>	<u>Maximum Payment</u>
\$0 - \$5,000	10 years	\$41.67 per month
\$5,001 - \$10,000	15 years	\$55.56 per month
\$10,001 - \$15,000	20 years	\$62.50 per month
\$15,001 - \$20,000	25 years	\$66.67 per month
\$20,001 - \$25,000	30 years	\$69.44 per month
\$25,001 - \$30,000	30 years	\$83.33 per month
\$30,001 - \$35,000	30 years	\$97.22 per month
\$35,001 - \$40,000	30 years	\$111.11 per month
\$40,001 - \$45,000	30 years	\$125.00 per month
\$45,001 - \$50,000	30 years	\$138.89 per month

The County can defer payments longer if the homebuyer cannot afford payments when the loan payments are due. Applications are required through the Community Development Division.

Tenure of Beneficiaries: All beneficiaries under this program will be homebuyers.

Continued Affordability: To ensure affordability, Pasco County will recapture all funds. Those funds will be used for another NSP eligible project with an NSP eligible client.

Also to ensure affordability, two shared equity provisions will be in place through a mortgage and note that will also prevent flipping of homes. Pasco County will recapture at time of re-sale or payoff the amount of equity that is not mortgaged by the lender loan and the County loan combined, at time of purchase. Additionally if the homebuyer sells or transfers the property within the first five years of ownership, there will be a penalty. A portion of the appreciated sales price will be shared with the County, in addition to the principal balance that is owed. For the first three years that percentage is 50%; for years 4 and 5 it is 25%. Appreciation is defined as the gain a homebuyer receives from the sale of the home, less any reasonable title and real estate costs. The cost of home improvements completed with building permits also shall be deducted from this amount. Under no conditions shall this penalty be more than twice the amount of the original County loan. Also, the penalty may not be more than the cash available at closing.

**(6) Activity Name: Administration**

(2) Activity Type: NSP Eligible Use: 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.

CDBG Eligible Activity 570.206

(3) National Objective: N/A

(4) Activity Description: This activity will fund administrative requirements and expenses related to NSP including personnel costs, marketing, legal issues, monitoring costs, travel and training costs, application costs and office supplies.

(5) Location Description: N/A

(6) Performance Measures: N/A

(7) Total Budget: NSP Funds \$600,015

(8) Responsible Organization: Pasco County Community Development Division, George Romagnoli, AICP, Community Development Manager, 5640 Main Street #200, New Port Richey, FL 34652

(9) Projected Start Date: February 1, 2009

(10) Projected End Date: February 1, 2013 (This project will continue if program income is available for use)

(11) Specific Activity Requirements: N/A

**Other Items:**

Pasco shall spend NSP funds in the CDBG Urban County (Unincorporated Pasco County, the cities of New Port Richey, San Antonio, and St. Leo) and the three municipalities that do not participate in the program (Dade City, Zephyrhills, and Port Richey). These three small cities are totally surrounded by the unincorporated county, and their economic health is vital to the health of the county as a whole.

# 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

# 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): _____ Lead Agency _____ Jurisdiction Web Address: _____ (URL where NSP Substantial Amendment materials are posted)	NSP Contact Person: _____ Address: _____ Telephone: _____ Fax: _____ Email: _____
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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 \_\_\_\_\_.

### 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 \_\_\_\_\_.

**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 \_\_\_\_\_.
- a definition of "affordable rents,"  
Yes  No . Verification found on page \_\_\_\_\_.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,  
Yes  No . Verification found on page \_\_\_\_\_.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?  
Yes  No . Verification found on page \_\_\_\_\_.

***D. 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 \_\_\_\_\_.
- correlated eligible activity under CDBG,  
Yes  No . Verification found on page \_\_\_\_\_.
- the areas of greatest need addressed by the activity or activities,  
Yes  No . Verification found on page \_\_\_\_\_.
- expected benefit to income-qualified persons or households or areas,  
Yes  No . Verification found on page \_\_\_\_\_.
- appropriate performance measures for the activity,  
Yes  No . Verification found on page \_\_\_\_\_.
- amount of funds budgeted for the activity,  
Yes  No . Verification found on page \_\_\_\_\_.
- the name, location and contact information for the entity that will carry out the activity,  
Yes  No . Verification found on page \_\_\_\_\_.
- expected start and end dates of the activity?  
Yes  No . Verification found on page \_\_\_\_\_.

***E. SPECIFIC ACTIVITY REQUIREMENTS***

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,  
Yes  No . Verification found on page \_\_\_\_\_.

If the activity provides financing,

- the range of interest rates (if any),  
Yes  No . Verification found on page \_\_\_\_\_.

If the activity provides housing,

- duration or term of assistance,  
Yes  No . Verification found on page \_\_\_\_\_.

- tenure of beneficiaries (e.g., rental or homeownership),  
Yes  No . Verification found on page \_\_\_\_\_.
- does it ensure continued affordability?  
Yes  No . Verification found on page \_\_\_\_\_.
- 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 \_\_\_\_\_.

**F. 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 \_\_\_\_\_.
- 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 \_\_\_\_\_.  
Amount budgeted = \$ \_\_\_\_\_.

**G. DEMOLISHMENT OR CONVERSION OF LOW- AND MODERATE-INCOME UNITS**

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 \_\_\_\_\_.

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 \_\_\_\_\_.

**H. 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 \_\_\_\_\_.

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

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

**I. WEBSITE PUBLICATION**

The following Documents are available on the grantee’s website:

- SF 424 Yes  No .
- Proposed NSP Substantial Amendment Yes  No .
- Final NSP Substantial Amendment Yes  No .
- Subsequent NSP Amendments Yes  No .

Website URL: \_\_\_\_\_

**K. CERTIFICATIONS**

The following certifications are complete and accurate:

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

## APPENDIX A

### **Neighborhood Stabilization Program Pasco County Homebuyer Assistance Program Minimum Housing Standard Checklist**

**(a) Sanitary facilities.** Every dwelling unit shall contain not less than a

- |  |   |
|--|---|
| <input type="checkbox"/> kitchen sink,   | <input type="checkbox"/> lavatory,                |
| <input type="checkbox"/> tub or shower, and a  | <input type="checkbox"/> water closet             |
| <input type="checkbox"/> all in good working condition and properly connected to an approved water and sewer system.   |   |
| <input type="checkbox"/> Every plumbing fixture and water and waste pipe shall be properly installed and maintained in good sanitary working condition free from |   |
| <input type="checkbox"/> defects,  | <input type="checkbox"/> leaks, and obstructions. |
| <input type="checkbox"/> Septic must be pumped out and tested within last 60 days by licensed  |   |

professional

Date of test : \_\_\_\_\_

Wells must have a maintenance check, including a bacterial test, within the last 6 months

Date of test: \_\_\_\_\_

**(b) Location of sanitary facilities.**

All required plumbing fixtures shall be located within the dwelling unit and be accessible to the occupants of same.

The water closet, tub or shower and lavatory shall be located in a room affording privacy to the user.

Bathrooms shall be accessible from habitable rooms, hallways, corridors or other protected or enclosed areas.

**(c) Hot and cold water supply.** Every dwelling unit shall have adequate supply of both cold and hot water

- |   |  |
|---|--|
| <input type="checkbox"/> connected to the kitchen sink, | <input type="checkbox"/> lavatory,                   |
| <input type="checkbox"/> and tub or shower.             | <input type="checkbox"/> All water shall be supplied |
- through an approved distribution system connected to a potable water supply.

**(d) Water heating facilities.** Every dwelling unit shall have water heating facilities which are properly

installed and maintained in a safe and good working condition and are capable of heating water to such a temperature as to permit an adequate amount of water to be drawn at every required kitchen sink, lavatory basin, bathtub or shower at a temperature of not less than 120 degrees Fahrenheit (49 degrees Celsius). Such water heating facilities shall be capable of meeting the requirements of (d) when the dwelling or dwelling unit heating facilities required under the provisions of this code are not in operation. Apartment houses may use a centralized water heating facility capable of heating an adequate amount of water as required by the Standard Plumbing Code to not less than 120 degrees Fahrenheit (49 degrees Celsius).

Water heating appliances have 5 or more years of operational service. (An appliance that is 15 years old shall not meet this standard).

**(e) Air Conditioning and Heating facilities.**

Every dwelling unit shall have air conditioning and heating facilities which are properly installed, are maintained in safe and good working conditions, and are capable of safely and adequately cooling and heating all habitable rooms and bathrooms. Window units are not allowed. Units must be at least 11 SEER, and be at least one ton for every 500 air conditioned feet.

Air conditioning and heating facilities shall have 5 or more years of operational service. (An appliance that is 20 years old shall not meet this standard).

**(f) Kitchen facilities.** Every dwelling unit shall contain a kitchen equipped with the following minimum facilities:

Food preparation surfaces impervious to water and free of defects which could trap food or liquid.

Shelving, cabinets or drawers for the storage of food and cooking and eating utensils, all of which shall be maintained in good repair.

Freestanding or permanently installed cook stove. Portable electric cooking equipment shall not fulfill this requirement. Portable cooking equipment employing flame shall be prohibited. Stove shall have at least 5 or more years of operational service (an appliance that is 20 years old shall not meet this standard).

Mechanical refrigeration equipment for storage of perishable foodstuffs. Refrigeration equipment must have at least 5 years of operational service. (An appliance that is 15 years old shall not meet this standard).

**(g) Smoke detector systems.**

Every dwelling unit shall be provided with an approved listed smoke detector, installed in accordance with the manufacturer's recommendations and listing. When activated, the detector shall provide audible alarm. The detector shall be tested in accordance with and meet the requirements of UL 217 (1989), Single and Multiple Station Smoke Detectors.

**(h) Garage Doors**

Residences in wind-borne debris regions must have garage doors that meet 130 miles per hour wind load.

**(i) Windows.**

Every habitable room shall have at least one window or skylight facing directly to the outdoors. The minimum total window area, measured between stops, for every habitable room shall be eight percent of the floor area of such room. Whenever walls or other portions of structures face a window of any such room and such light obstruction structures are located less than three feet (914mm) from the window and extend to a level above that of the ceiling of the room, such a window shall not be deemed to face directly to the outdoors and shall not be included as contributing to the required minimum total window area. Whenever the only window in a room is a skylight-type window in the top of such room, the total window area of such skylight shall equal at least 15 percent of the total floor area of such room.

Residences in wind-borne debris regions must have impact resistant windows or removable and operational storm panels for window protection with permanent fasteners in place.

**(j) Ventilation.**

Every habitable room shall have at least one window or skylight which can be easily opened, or such other device as will adequately ventilate the room. The total of openable window area in every habitable room shall equal to at least 45 percent of the minimum window area size of minimum skylight-type window size, as required, or shall have other approved, equivalent ventilation. Year round mechanically ventilating conditioned air systems may be substituted for windows, as required herein, in rooms other than rooms used for sleeping purposes.

Bathroom: Every bathroom shall comply with the light and ventilation requirements for habitable rooms except that no window or skylight shall be required in adequately ventilated bathrooms equipped with an approved ventilating system.

**(k) Electric lights and outlets.**

Where there is electric service available to the building structure, every habitable room or space shall contain at least two separate and remote receptacle outlets.

Bedrooms shall have, in addition, at least one wall switch controlled lighting outlet.

In kitchens, two separate and remote receptacle outlets shall be provided (receptacles rendered inaccessible by appliances fastened in place or by appliances occupying dedicated space shall not be considered as these required outlets) and a wall or ceiling lighting outlet controlled by a wall switch shall be provided.

Every hall, water closet compartment, bathroom, laundry room or furnace room shall contain at least one ceiling-mounted or wall-mounted lighting outlet. In bathrooms, the lighting outlet shall be controlled by a wall switch. In addition to the lighting outlet in every bathroom and laundry room, there shall be provided at least one receptacle outlet.

**(l) Light in public halls and stairways.**

Every common hall and inside stairway in every building, other than one-family dwellings, shall be adequately lighted at all times with an illumination of at least one foot candle intensity (10.76 lux) at the floor in the darkest portion of the normally traveled stairs and passageways.

**(m) Electrical systems.**

All bedrooms must be protected by an arc-fault circuit.

Electric panel must have a minimum 125 amp circuit. Outside meter must be located behind panel. Panel box must be located in safe location, and shall have at least a three foot clearance.

GFCI outlets must be located in wet locations, except for laundry areas.

**(n) Foundation.**

The building foundation system shall be maintained in a safe manner and capable of supporting the load which normal use may cause to be placed thereon.

**(o) Exterior walls.**

Every exterior wall shall be free of holes, breaks, loose or rotting boards or timbers, and any other conditions which might admit rain, or dampness to the interior portions of the walls or to the occupied spaces of the building. All siding material shall be kept in repair.

**(p) Roofs.**

Roofs shall be structurally sound and maintained in a safe manner and have no defects which might admit rain or cause dampness in the walls or interior portion of the building. All portions, additions or sections of a roof including, but not limited to, the

fascia, eave, soffit, sheathing, rafter tail, barge rafter, vent screening, gutter, downspout, roof jack, lead or metal flashing, shall be complete with all trim strips, moldings, brackets, braces and supports in accordance with common building practices. No item shall display signs of deterioration, abuse or improper installation that could be construed to affect the purpose of that item or cause damage to the immediate area or roof structure, that could allow dampness or admit rain to the interior of that building. This requirement shall not be construed to mean that gutters are required. Overlay of shingles are not permitted. All roofs must have at least 5 years of operational service. (A roof that is 20 years old shall not meet this standard).

**(q) Means of egress.**

Every dwelling unit shall have safe, unobstructed means of egress with minimum ceiling height of seven feet (2,134 mm) leading to a safe and open space at ground level. Stairs shall have a minimum head room of six feet eight inches (2,032 mm).

**(r) Stairs, porches and appurtenances.**

Every inside and outside stair, porch and any appurtenance thereto shall be safe to use and capable of supporting the load that normal use may cause to be placed thereon and shall be kept in sound condition and good repair.

**(s) Protective railings.**

Protective railings shall be required on any unenclosed structure over 30 inches (762 mm) above the ground level or on any steps containing four risers or more.

**(t) Window maintenance.**

Every window shall be substantially weathertight, watertight and rodent-proof, and shall be kept in sound working condition and good repair. Every window sash shall be fully supplied with glass window panes or an approved substitute which are without open cracks or holes.

Window sashes shall be properly fitted and weathertight within the window frame.

Every window required for light and ventilation for habitable rooms shall be capable of being easily opened and secured in position by window hardware.

**(u) Exterior doors.**

Every exterior door, basement or cellar door and hatchway shall be substantially weathertight, watertight, and rodent-proof, and shall be kept in sound working condition and good repair. Every exterior door shall be provided with properly installed hardware that is maintained to insure reasonable ease of operation to open, close and secure in an open or closed position, as intended by the manufacturer of the door and the attached hardware.

Exterior door frames shall be property maintained and shall be affixed with weather stripping and thresholds as required to be substantially weathertight, watertight and rodent and insect resistant when the door is in a closed position.

Exterior door jambs, stops, headers and moldings shall be securely attached to the structure, maintained in good condition without splitting or deterioration that would minimize the strength and security of the door in a closed position.

Residences in wind-borne debris areas must have doors that swing out, are solid core, and are installed to meet the 130 wind speed load.

**(v) Screens.**

All operable windows must have screens.

Screens on windows and doors shall be stretched and fitted and maintained without rips or tears.

A closing device shall be installed on all screen doors.

**(w) Protective treatment.**

All exterior wood surfaces, other than decay resistant woods, shall be protected from the elements and decay by painting or other protective covering or treatment. All siding shall be weather resistant and water tight. All masonry joints shall be sufficiently tuck pointed to insure water and air tightness.

**(x) Accessory structures.**

Garages, storage buildings and all other accessory structures shall be maintained and kept in good repair and sound structural condition.

**(y) Interior floors, walls and ceilings.**

Every floor, interior wall and ceiling shall be substantially rodent proof, shall be kept in sound condition and good repair and shall be safe to use and capable of supporting the load which normal use may cause to be placed thereon.

**(z) Impervious Surfaces.**

Every toilet,  bathroom and  kitchen floor surface shall be constructed and maintained so as to be substantially impervious to water and so as to permit such floor to be easily kept in a clean and sanitary condition.

**(aa) Structural supports.**

Every structural element of the dwelling shall be maintained structurally sound and show no evidence of deterioration which would render it incapable of carrying normal loads.

**(bb) Protective railings for interior stairs.**

Interior stairs and stairwells more than four risers high shall have handrails located in accordance with the requirements of the code in effect at the time the structure was built. Handrails or protective railings shall be capable of bearing normally imposed loads and be maintained in good condition.

**(cc) Firestopping and draftstopping.**

Firestopping shall be maintained to cut off all concealed draft openings both horizontal and vertical and to form a fire barrier between floors and between the upper floor and the roof space.

Draftstopping shall be maintained to cut off all concealed draft openings in floor/ceiling assemblies and in attics.

Fireplaces must be inspected by a licensed technician within the last six months.

Date of Test \_\_\_\_\_

All chimneys and flues must be inspected by a licensed technician.

Date of test: \_\_\_\_\_

**(dd) Interior doors.**

Every existing interior door shall fit reasonably well within its frame and shall be capable of being opened and closed by being properly and securely attached to jambs, headers or tracks as intended by the manufacturer of the attachment hardware.

Every interior door shall be provided with proper hardware, securely attached and maintained in good condition. Hasp lock assemblies are not permitted on the exterior side of the door of habitable rooms.

Privacy of bathrooms shall be afforded by doors complete with privacy hardware intended by the manufacturer for that purpose.

**(ee) Skirting.**

Existing skirting shall be maintained free from broken or missing sections, pieces or cross members. Skirting shall be securely attached and sized from the ground to the lower outside perimeter of the structure. Replacement or new skirting shall be constructed of materials intended for exterior use and properly sized and mounted to prevent free access to the crawl space of the structure. Crawl space access grille or door and ventilation grilles shall be sized according to local code requirements.

**(ff) Required space in dwelling unit.**

Every dwelling unit shall contain at least 150 square feet (13.9 m<sup>2</sup> ) of floor space for the first occupant thereof and at least an additional 100 square feet (9.3 m<sup>2</sup> ) of floor area per additional occupant. The floor area shall be calculated on the basis of the total area of all habitable rooms.

**(gg) Minimum ceiling height.**

Habitable (space) rooms other than kitchens, storage rooms and laundry rooms shall have a ceiling height of not less than seven feet (2,134 mm). Hallways, corridors, bathrooms, water closet rooms and kitchens shall have a ceiling height of not less than seven feet (2,134 mm) measured to the lowest projection from the ceiling. If any room in a building has a sloping ceiling, the prescribed ceiling height for the room is required in only one-half the room area. No portion of the room measuring less than five feet (1,524 mm) from the finished floor to the finished ceiling shall be included in any computation of the minimum room area.

Ceiling fans must be hard-wired. The lowest blade must be a minimum of seven feet off the floor.

**(hh) Occupancy of dwelling unit below grade.**

No basement or cellar space shall be used as a habitable room or dwelling unit unless:

1. The floor and walls are impervious to leakage of underground and surface runoff water and are insulated against dampness, and
2. The total window area in each room is equal to at least the minimum window area size as required in (j), and
3. Such required minimum window area is located entirely above the grade of the ground adjoining such window area, and
4. The total of openable window area in each room is equal to at least the minimum as required under (j), except where some other device affording adequate ventilation is supplied.

**(ii) Debris:**

The property shall not have an accumulation of rubbish, waste, trash, or debris, decaying vegetative matter, exposed salvageable material, or other manmade materials where the effect of such accumulation is to cause or create:

1. A visual nuisance or other unsightly condition visible from adjoining public or private property;

2. An actual or potential haven or breeding place for snakes, rats, rodents, or other vermin of like or similar character;

3. An actual or potential breeding place for mosquitoes;

4. A fire hazard to adjacent properties;

5. An adverse effect on or impairment of the economic welfare of adjacent properties;

