

City of Pembroke Pines Neighborhood Stabilization Program NSP



**Approved: November 18, 2008
Amendment: March 17, 2010
Amendment July 8, 2010**

The NSP Application & Checklist

Grantees have the option of submitting a paper NSP Application or a form under the DRGR system. This form sets forth the preferred format for grantees under the NSP Program. A substantially complete application contains the information requested below, including (1) a general application, (2) activity specific information, and (3) certifications. Applicants should also attach a completed NSP Application Checklist (included below), to ensure completeness and efficiency of review. Applicants must also submit an SF-424, available at http://www.grants.gov/agencies/aapproved_standard_forms.jsp.

The NSP Application

I. NSP General Application

Jurisdiction(s): (lead agency)

CITY OF PEMBROKE PINES

Jurisdiction Web Address:

www.ppines.com

NSP Contact Person: **Charles Dodge,
City Manager**

Address: **10100 Pines Blvd., Pembroke
Pines, FL 33026**

Telephone: **954-431-4884**

Fax: **954-437-1149**

Email: **cdodge@ppines.com**

BACKGROUND ON THE NSP APPLICATION

The Neighborhood Stabilization Program (NSP) provides emergency assistance to states and certain local governments, such as the City of Pembroke Pines to facilitate the acquisition and rehabilitation of foreclosed and abandoned properties that might otherwise become sources of abandonment and blight within the community. The City of Pembroke Pines is scheduled to receive \$4,398,575 in NSP funds. NSP is meant to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program is authorized under Title III of the Housing and Economic Recovery Act of 2008. The Housing and Economic Recovery Act (HERA) which authorizes NSP, indicates that funds be allocated to states and units of general local government with the greatest need based on:

- (A) The number and percentage of home foreclosures in each State or unit of general local government;
- (B) The number and percentage of homes financed by a subprime mortgage related loan in each State or unit of general local government; and
- (C) The number and percentage of homes in default or delinquency in each State or unit of general local government.

Data Availability and HUD's Formula Process

The HERA statute calls for allocating funds based on the number and percent of foreclosures, subprime loans, and loans delinquent or default. The allocation of NSP funds is data driven. Sources used in the allocation formula include, the Mortgage Bankers Association National Delinquency Survey (MBA-NDS) 2006 American Community Survey Data, Home Mortgage Disclosure Act (HMDA) data, and United States Postal Service 90 day vacancy information.

In the NSP formula allocation process, 70 percent of the funds were allocated based on the number and percent of foreclosures, 15 percent for subprime loans, 10 percent for loans in default, and 5 percent for delinquent loans. The higher weight on foreclosures is based on the emphasis the statute places on targeting foreclosed homes.

A sub-state formula was then developed to allocate funds to local government. The sub-state formula data takes into account the following variables:

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

The three variables above are publicly available for all CDBG eligible communities and are considered good predictors of foreclosure risk.

In developing its NSP application the City referred to these sources as the primary indicator of where to target NSP funds.

A. AREAS OF GREATEST NEED

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

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

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

Summary of Needs in the City of Pembroke Pines

According to the 2006 Census, American Community Survey, the City of Pembroke Pines had approximately 153,808 persons living in the City, with approximately 67,523 housing units throughout the City. More than 81% (45,420) of those households were owner occupied and 19% (10,383) were renter occupied. Among the 67,523 households, 9% (5,720) were vacant. The average household size was 2.76 persons. The median household income was \$60,740.

The median value of owner-occupied homes was \$337,800 with an average monthly cost of \$1,921 for those homes with a mortgage.

Utilizing the available data and the two part NSP formula developed by HUD, the City of Pembroke Pines received an *abandonment score* of 7.9% which is considered low. This compares to a medium 8.0% state abandonment risk score.

Foreclosures in Pembroke Pines

In 2006, the City had a total of 325 lis pendens¹ filed and 109 scheduled foreclosure sales. In 2007, the City had 927 lis pen dens filed and 296 scheduled sales. These represent 185% and 172% increases respectively, between 2006 and 2007. For the period January 1, 2008 through the end of March 2008, the City had 523 lis pendens filed and 159 foreclosure sales scheduled. The number of lis pendens and scheduled foreclosure sales for 2008 represent \$377,084,155 in outstanding loan balances on properties with a current assessed value of a total \$237,496,220. This is citywide, with zip codes 33024, 33025, 33026, 33028 and 33029 with double digit percentages of lis pendens and scheduled sales.

These foreclosures are occurring for different reasons. A majority may be attributed to homeowners with adjustable rate mortgages and their subsequent inability to make the adjusted payment or refinance the loan in the existing housing market. Among homes with lis pendens filed since January 1, 2008, 62% of the homes were tied to an adjustable rate mortgage. Additionally, 82% of the scheduled foreclosure sales since January 1, 2008 were tied to an adjustable rate mortgage.

Other factors contributing the problem are the regional economy and job loss. Further, inflated market values of real property due to speculation and overall increased demand for housing led to increased ad valorem tax increases even while ad valorem tax rates held relatively steady and in some cases declined. Another contributing factor has been the increased cost of hazard insurance since the 2004 and 2005 hurricane seasons.

Need and Opportunity: The growing number of unoccupied houses currently on the market, including those vacant due to foreclosure, remain a threat to the sustainability and vitality of communities. While the City is in no position to address the reasons people are being foreclosed , the current market presents an opportunity to address community preservation. Vacant units today can be the affordable housing of tomorrow for qualified homebuyers and renters. Even with the soft housing market, and prices declining, there is still a need for affordable housing in Pembroke Pines.

Geographic Areas of Greatest Need

In Tables 1, 2, 3 and 4, the rows highlighted/shaded represent Census tracts identified as having a large percentage of low/moderate income block groups in the 2000 Census and in the City's 2005-2009 Consolidated Plan. Because the City has limited low/moderate income areas, the City has been determined by HUD to be an exception grantee, meaning that it can direct CDBG funds for area benefit activities to areas with less than 51% low/moderate income households. In

¹ Lis Pendens - Latin for Pending Lawsuit.

FY 2008, the City's exception number is 38.9%. This means as long as the Census tract block has at least 38.9% low/moderate income households, funds may be directed to area benefit activities. This number does not apply to the NSP program. The City must document that 100% of the beneficiaries are low, moderate or middle income (up to 120% of the area median income).

According to the City's 2005-2009 Consolidated Plan, there were no contiguous areas of low and moderate income concentration or racial concentration in Pembroke Pines to develop a large target area. Census tracts 907, 1103.13 and 1101.00 are East of University Drive. Census tract 1103.14 represents the Century Village development. In many of these census tracts, the low/moderate income concentration is limited to a block group. NSP data is not available at the block group level.

Table 1: Estimated Foreclosure Rate

Census Tract	Estimated Number of Foreclosures	Estimated Number of Mortgages	Estimated Foreclosure Rate	Estimated Foreclosure Abandonment Risk Score	Predicted 18-Month Underlying Problem Foreclosure Risk
070304	215	2,892	7.4%	8	7.4%
070314	123	1,942	6.3%	7	6.1%
090700	307	3,188	9.6%	9	9.7%
110100	236	2,279	10.36%	9	10.3%
110301	183	2,304	7.9%	9	8.3%
110302	202	3,001	6.7%	7	7.1%
110303	106	1,519	7.0%	7	7.3%
110304	371	5,210	7.1%	7	7.1%
110305	311	4,488	6.9%	7	6.9%
110306	193	3,141	6.1%	7	6.1%
110307	137	1,800	7.6%	8	7.6%
110308	173	2,049	8.4%	8	8.4%
110309	193	2,471	7.8%	8	7.8
110310	253	3,029	8.4%	8	8.3%
110311	232	2,711	8.6%	8	8.6%
110312	235	2,650	8.9%	9	8.9%
110313	174	1,857	9.4%	9	9.4%
110314	139	2,015	6.9%	9	6.9%
110315	312	3,353	9.3%	9	9.3%
110316	328	3,552	9.2%	10	9.2%
110317	1,294	16,564	7.8%	8	8.0%

Source: *Huduser.org*

As Table 1 indicates, the areas with the highest foreclosure rates are also areas that were classified as having a large percentage of low/moderate income households.

Table 2: Estimated Vacancy Rate

Census Tract	Total 90 Day Vacant Residential Addresses	Total Residential Addresses	Estimated 90 Day Vacancy Rate	Estimated Foreclosure Abandonment Risk Score	Predicted 18-Month Underlying Problem Foreclosure Risk
070304	57	2,579	2.2%	8	7.4%
070314	33	1,463	2.3%	7	6.1%
090700	72	2,551	2.8%	9	9.7%
110100	52	2103	2.5%	9	10.3%
110301	92	2,214	4.2%	9	8.3%
110302	38	2,715	1.4%	7	7.1%
110303	15	1,376	1.1%	7	7.3%
110304	71	4,310	1.6%	7	7.1%
110305	64	3,878	1.7%	7	6.9%
110306	99	4,031	2.5%	7	6.1%
110307	27	1,899	1.4%	8	7.6%
110308	36	2,415	1.5%	8	8.4%
110309	79	2,831	2.8%	8	7.8
110310	128	4,076	3.1%	8	8.3%
110311	55	2,574	2.1%	8	8.6%
110312	112	2,823	4.0%	9	8.9%
110313	37	2,090	1.8%	9	9.4%
110314	1,122	13,198	8.5%	9	6.9%
110315	124	5,860	2.1%	9	9.3%
110316	285	4,668	6.1%	10	9.2%
110317	203	13,013	1.6%	8	8.0%

Source: Huduser.org

According to NSP data – Table 2, the areas with the highest vacancy rates are the areas of Century Village and Hollybrook which are both 55 and older condominium communities.

Table 3: Total High Cost Loans

Census Tract	Total High Cost Loans 2004 to 2006 HMDA Loans	Total 2004 to 2006 HMDA Loans	Estimated High Cost Loan Rate
070304	450	1,626	27.7%
070314	222	1,092	20.3%
090700	673	1,792	37.6%
110100	557	1281	43.5%
110301	396	1,295	30.6%
110302	405	1,687	24.0%
110303	215	854	25.2%
110304	763	2,929	26.0%
110305	630	2,523	25.0%
110306	366	1,766	20.7%
110307	290	1,012	28.7%
110308	383	1,152	33.2%
110309	413	1,389	29.7%
110310	556	1,703	32.6%
110311	516	1,524	33.9%
110312	529	1,490	35.5%
110313	399	1,044	38.2%
110314	280	1,133	24.7%
110315	713	1,885	37.8%
110316	749	1,997	37.5%
110317	2,695	9,312	28.9%

Source: *Huduser.org*

As Table 3 indicates, the areas with the highest foreclosure rates are also areas that were classified as having a large percentage of low/moderate income households

Unemployment Rate

The data indicated that the unemployment rate in all Pembroke Pines census tracts averaged between 4.4% – 5.2%.

B. DISTRIBUTION AND USES OF FUNDS

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

A) Areas with the greatest percentage of home foreclosures

Available data, provided by HUD, indicates that the greatest percentage of home foreclosures are in the City’s predominately low/moderate income census tracts and some areas contiguous to them.

B) Highest percentage of homes financed by a subprime mortgage related loan

Available data, provided by HUD also indicates that the greatest percentage of homes financed with subprime related loans are also in the City’s pre-dominantly low/moderate census tracts and the some areas contiguous to them.

C) Area likely to face a significant rise in the rate of home foreclosures.

The data provided by HUD indicates that these areas will likely continue to a face a significant rise in the rate of home foreclosure. Table 4 indicates where the City stands among other South Florida entitlement cities in foreclosures.

Table 4: South Florida Foreclosures

City	Year-to-Date Foreclosures	Year-to-Date Foreclosure Rate	2007 Foreclosures
Miramar	572	0.43%	323
Fort Lauderdale	569	0.24%	317
Hollywood	549	0.31%	280
Coral Springs	501	0.37%	263
Pembroke Pines	457	0.27%	235
Pompano Beach	391	0.28%	197
Deerfield Beach	381	0.30%	123
Sunrise	341	0.30%	182
Tamarac	321	0.32%	130

Source: Florida Blockshopper.com 10-29-08

Among the 457 year-to-date foreclosures in the City of Pembroke Pines, most of the foreclosures occurred in the following zip codes: 33024, 33025, 33026, 33028, and 33029.

The City of Pembroke Pines will prioritize assistance to these zip codes. The aforementioned zip codes are indicated by census tract in Tables 2 and 3. Eligible NSP activities will be directed towards stabilizing these target areas. These zip codes are also the geographic areas of the City where affordable housing units for those at 120% of the Area Median Income or less are most feasible and sustainable.

Table: 4 Area Median Income Adjusted For Household Size

Household Size	0-30% AMI	31-50% AMI	51-80%AMI	81-120%
1	\$14,950	\$24,900	\$39,850	\$59,760
2	\$17,100	\$28,500	\$45,550	\$68,400
3	\$19,200	\$32,050	\$51,250	\$76,920
4	\$21,350	\$35,600	\$56,950	\$85,440
5	\$23,050	\$38,450	\$61,500	\$92,280
6	\$24,750	\$41,300	\$66,050	\$99,120
7	\$26,450	\$44,150	\$70,600	\$105,960
8	\$28,200	\$47,000	\$75,150	\$112,800

Source: U.S. Department of Housing and Urban Development/Florida Housing Finance Corporation

The City acknowledges that there are foreclosed properties throughout the City. However, NSP requires that funds be prioritized to the areas of greatest need and that will benefit low, moderate and middle income households the most.

C. DEFINITIONS AND DESCRIPTIONS

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

The City’s “Property Maintenance Code” is found under Chapter 150, Building , Section 150.95 Property Maintenance. The “Property Maintenance Code” declares the City’s policy as the following:

B) Findings and declaration of policy.

(1) It is hereby found and declared that there exist in the city structures used for residential and nonresidential use which are or may become in the future, substandard with respect to structure, equipment or maintenance.

(2) Conditions, including, but not limited to, structural deterioration, lack of maintenance, and appearance of exterior premises, infestation, lack of essential plumbing facilities, lack of maintenance or upkeep of essential utilities and facilities, existence of fire hazards, inadequate provisions for light and air, unsanitary conditions and overcrowding, constitute a menace to the health, safety, welfare, and reasonable comfort of the citizens and inhabitants of the city.

(3) It is further found and declared that by reason of lack of maintenance and because of progressive deterioration, certain properties have the further effect of creating blighting conditions and initiating slums, and that if the same are not curtailed and removed, these conditions will grow and spread and will necessitate in time the expenditure of large amounts of public funds to correct and eliminate the same, and that by reason of timely regulations and restrictions as herein contained, the growth of slums and blight may be prevented and the neighborhood and property values thereby maintained, the desirability and amenities of residential and nonresidential uses and neighborhood enhances and the public health, safety, and welfare protected and fostered.

For the purposes of the NSP, a blighted structure echoes the criteria for slum and blight found in Florida Statutes Chapter 163.340, which outlines the following conditions:

1. Building deterioration
2. Site deterioration or site deficiencies
3. Unsanitary and unsafe conditions and incompatible uses
4. Six or more ownership parcels per block
5. Buildings greater than 40 years of age
6. Presence of closed/vacant buildings
7. Presence of vacant lots
8. Buildings in violation of property maintenance code violations
9. Presence of buildings scheduled for demolition

A blighted structure will meet one or more of the aforementioned criteria.

Definition of “affordable rents.”

The City will comply and adopt the definition of “affordable” in accordance with F.S. 420.9071 - the State Housing Initiatives Program (SHIP).

(2) “Affordable” means that monthly rents or monthly mortgage payments including taxes and insurance do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in subsection (19), subsection (20), or subsection (28). However, it is not the intent to limit an individual household’s ability to devote more than 30 percent of its income for housing, and housing for which a household devotes more than 30 percent of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 30 percent benchmark.

The Florida Housing Finance Corporation publishes an annual rent schedule for household incomes up to 120% AMI and adjusted for household size. The table sets forth maximum rents.

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

Affordability Periods

The city will maintain affordability of NSP assisted housing by adopting minimum HOME standards (where HOME standard are more restrictive than the City’s affordability period. The following table displays the minimum standards to be utilized by the City.

Table 5: City of Pembroke Pines NSP Affordability Periods

Homeownership assistance amount per-unit	City of Pembroke Pines NSP Affordability Period
Under \$15,000	15
\$15,000 to \$40,000	15
Over \$40,000	15

Recapture and Resale Provisions

The resale and/or recapture provisions will be utilized to enforce the affordability period adopted by the City.

Resale provisions require that in the event the principle homeowner decides to sell the NSP assisted unit, that same property can only be sold to another LMMI households that will occupy the unit as a principle residence. The original NSP assisted owner will be ensured a fair return on their investment, but the home is required to be maintained at an

affordable range for LMMI households. The affordability period is based on the amount the LMMI receives in funding.

Recapture provisions involves the City receiving 100% of the NSP funding on an assisted unit or a portion of it should that housing unit cease to be the principle home of the household receiving the assistance for the duration of the period of affordability or the terms that are agreed to between the City and household.

The City may also elect to engage in **equity sharing** of net proceeds on NSP assisted units. The net proceed is equivalent to the sales price minus the closing costs. In so doing, the City may agree to allow the owner to a return on their investment for any improvements made before the City takes its share of the money.

Another option available to the City is to place NSP units in a Community Land Trust CLT to extend affordability into perpetuity. The CLT model removes land from the equation thus reducing the costs to acquire the property.

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

The City of Pembroke Pines will use adopted rehabilitation standards to guide all work specifications written for NSP rehabilitated properties.

The City's rehabilitation standards will, to the extent feasible, incorporate "green" rehabilitation techniques to the areas addressed in the City's residential rehabilitation standards document.

- A. Exterior surface
- B. Foundations and Structures
- C. Windows and Doors
- D. Roofing
- E. Insulation/Ventilation
- F. Interior Standards (Including Lead and Asbestos Compliance)
- G. Electrical
- H. Plumbing, HVAC and other major mechanical systems.

The City's residential rehabilitation standards comply with all applicable State and local building codes and Federal regulations that govern the CDBG/NSP program.

Program Income:

Any program income generated by the sale, rental, redevelopment, rehabilitation, or any other eligible use that is in excess of the cost to acquire and redevelop (including reasonable development fees) shall be used in accordance with the provisions of Section 2301 of the Housing and Economic Recovery Act of 2008.

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.

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

Response:

The City intends to allocate \$1,160,073.28 (25% of its NSP funds) to facilitate the purchase and rehabilitation of properties to house individuals and families whose incomes do not exceed 50 percent of the area median income.

E. ACQUISITIONS & RELOCATION

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

If so, include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

The City of Pembroke Pines does not intend to demolish/convert any dwelling units under the NSP program.

F. PUBLIC COMMENT

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

3rd Amendment Comments: Pending

The 15-day public comment period will commence June 21, 2010 and end July 6, 2010. A copy of the NSP application is located at the Office of the City Clerk located at Pembroke Pines City Hall, 10100 Pines Boulevard, Pembroke Pines FL 33026 between the hours of 7:00 a.m. and 6:00 p.m. – Monday to Thursday. In addition, the NSP substantial amendment has been posted to the City’s website at www.ppines.com. Citizens are encouraged to comment upon the proposed substantial amendments to the above referenced NSP activities identified in the 2008 Action Plan.

Prior to adoption, the City of Pembroke Pines Commission will hold a public hearing on the proposed amendments to the FY 2008 Action Plan/NSP Plan. The public hearing will take place on Thursday July 8, 2010 at 6:00 p.m. in the Commission Chambers at City Hall, located at 10100 Pines Boulevard, Pembroke Pines Florida 33026. Interested parties are encouraged to attend and participate.

For additional information on this hearing, please contact Community Redevelopment Associates of Florida, Inc at 954-431-7866, ext 115.

In accordance with the Americans with Disabilities Act and Florida Statutes Section 286.26, persons with disabilities needing special accommodation to participate in this hearing should contact the City Clerk’s Office at (954) 435-6501 at least 48 hours prior to the hearing.

2nd Amendment Response: No Comments

The 15-day public comment period will commence March 1, 2010 and end March 15, 2010. A copy of the NSP application is located at the Office of the City Clerk located at Pembroke Pines City Hall, 10100 Pines Boulevard, Pembroke Pines FL 33026 between the hours of 7:00 a.m. and 6:00 p.m. – Monday to Thursday. In addition, the NSP substantial amendment has been posted to the City’s website at www.ppines.com. Citizens are encouraged to comment upon the proposed substantial amendments to the above referenced NSP activities identified in the 2008 Action Plan.

Prior to adoption, the City of Pembroke Pines Commission will hold a public hearing on the proposed amendments to the FY 2008 Action Plan/NSP Plan. The public hearing will take place on March 17, 2010 at 6:30 p.m. in the Commission Chambers at City Hall, located at 10100 Pines Boulevard, Pembroke Pines Florida 33026. Interested parties are encouraged to attend and participate.

For additional information on this hearing, please contact Community Redevelopment Associates of Florida, Inc at 954-431-7866, ext 115.

In accordance with the Americans with Disabilities Act and Florida Statutes Section 286.26, persons with disabilities needing special accommodation to participate in this hearing should contact the City Clerk's Office at (954) 435-6501 at least 48 hours prior to the hearing

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.

Original Response:

The City advertised its proposed NSP Substantial Amendment on November 2, 2008 in a newspaper of general circulation. The public comment period begins November 3, 2008 and ends November 17, 2008. The Plan was also posted on the City's website November 2, 2008.

The City Commission will meet on November 19, 2008 to adoption the final NSP substantial amendment application.

No public comments were made or recorded during the public comment period.

II. NSP Specific Activity Information

#1. Activity Name: Financing Mechanisms/Purchase Assistance

Activity Type:

NSP-Eligible Uses (Financing Mechanisms) – Direct Homeownership Assistance – The City may elect to use one or more of combination of these strategies.

- Soft Second Mortgages - Zero percent (0%) interest deferred second mortgage that does not require payment by the NSP recipient as long as terms of agreement between the City and owner are maintained for duration of the affordability period.
- Mortgage Buy Downs – Purchase assistance beyond down payment and closing cost assistance that reduces the first mortgage lender’s loan amount and reduces the monthly housing expense for the NSP recipient.
- Interest Rate Buy Downs – Another method of increasing affordability of housing, by paying a fee upfront with NSP funds to the first mortgage lender to reduce the interest rate.
- First Mortgages – First mortgage with lower than market interest rate, held by the City, resulting in increased affordability due to reduced interest rates (0-5%).

CDBG Eligible Activity

24 CFR 570.201 (n): Direct Homeownership Assistance (as modified for NSP).

(n) Homeownership assistance. CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act. (As modified)

National Objective: Low Moderate Middle Income Housing – LMMH

24 CFR 570.208(a)(3) Housing Activities. An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

Activity Description and Specific Requirements:

This activity sets asides funds for households at 51 – 120% of the area median income (AMI). The activity is designed to address the abundance of vacant foreclosed properties in the City by facilitating the purchase of them by qualified moderate and middle income buyers. It will also address high cost and subprime loans in priority neighborhoods. Only conventional, FHA and other approved loan products with responsible lending guidelines

are permitted. Funds for households at 50% AMI have been set-aside under a separate activity.

The City of Pembroke Pines will make available financing mechanisms with favorable terms to eligible homebuyers with various options to be applied towards the costs of purchasing an NSP eligible property. (Properties that have been foreclosed on and are vacant for at least 90 days and located in the target geographical area and/or target price range).

Terms of Financial Assistance

Financial assistance will be for up to 50% of the lender's required down payment, closing costs, and mortgage and interest rate buy downs. Applicants will be required to pay a minimum of 1% or more depending on the first mortgage lender's down payment requirement.

NSP assistance will be in the form of a fifteen year, 0% interest, deferred payment loan secured by a second mortgage and promissory note. The loan is forgivable in its entirety at the end of the affordability period which begins from the date of settlement provided the title remains under the ownership of the original purchaser.

There will be no yearly write-down of the loan. Full repayment of the loan is due if the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the owner during the affordability period. **Terms may differ depending on the assistance provided from the range of options available to the City.**

Applicants must work with lenders who have agreed to comply with established underwriting criteria that outlines responsible lending guidelines and sets limitations on fees. Lending programs are prime, FHA or portfolio loans used to meet the lenders Community Reinvestment Act goals. Applicants are responsible for the upfront fee associated with the credit report or loan application fee required by lenders in the form of a money order or cashier's check. To enforce long-term affordability standards, the City will employ, recapture and/or resale provisions.

Tenure of Beneficiaries

Beneficiaries will become owners of the property.

Eligible Properties

Single-family detached homes, condos, town homes and villas that are foreclosed upon and vacant ~~for at least 90 days~~ are eligible to be purchased with NSP assistance. Short sale purchases will not be permitted under NSP funded purchase activities.

As required by the NSP, the City of Pembroke Pines will require that all foreclosed properties to be assisted with NSP funding be purchased at a discount in accordance with

~~Federal requirements. Properties are required to be purchased at a discount of no less than 5% for an individual property and 15% for properties in the aggregate. Discounts will be taken from an independent appraisal.~~

~~*A minimum 10% discount on a property will be permitted only after an analysis outlining the seller's carrying costs (i.e. taxes, insurance, maintenance, marketing, overhead, interest, etc.) is completed and considered acceptable by HUD.~~

Eligible Applicants

Eligible applicants will be homebuyers selected in the order in which they applied to the program and will be assisted on a first-qualified, first-served basis. An eligible homebuyer is defined as one who meets the income eligible guidelines and indicates this as their primary place of residence. Residents displaced from mobile home parks seeking to purchase a non mobile home unit also will be considered eligible homebuyers. Applicants must not own any other property used for residential purposes, and the home to be purchased must be located within the City limits.

Pre and Post Homeownership Counseling

~~Certificate of 8 hour homeownership counseling completion is required prior to loan closing. Post counseling will also be required to remain in compliance with the program. These are conditions to remain in compliance with the NSP financial assistance. All counseling must occur with HUD approved counseling agencies.~~

Location Description: Citywide.

1) Priority Target Area – East of University and other low/mod block group areas.

Zip Code: 33023, 33024, 33025, 33026, 33029

2) Other units on a Citywide basis provided they meet purchase price criteria.

Performance Measures:

Approximately 30 ~~27~~ ~~36~~ Loans to Purchase Foreclosed/NSP Eligible Properties

Budget

NSP Budget Funds Set Aside for Households (51-120% AMI)
\$1,459,750.85 \$1,000,000 \$1,100,00 To assist approximately 36-27 30 Buyers
Approximately \$30,000 in Purchase Assistance of NSP Eligible Properties. 80 to 120% AMI
Approximately \$40,000 in Purchase Assistance of NSP Eligible Properties. 51 to 80% AMI
NSP Assistance Provides up to 50% of Lenders Required Down Payment & Remaining Goes to Principle or Interest Buy Down – Based on Actual Need

Responsible Organization:

City of Pembroke Pines, 10100 Pines Boulevard, Pembroke Pines 33026

Projected Start Date: January 1, 2009

Projected End Date: ~~June 30, 2010~~ August 2010 (18 Month Commitment Date of All Funds)

2. Activity Name: Purchase and/or Rehabilitation

Activity Type:

NSP-Eligible Uses: Purchase and/or Rehabilitation & Financing Mechanisms

Deferred Loans for rehabilitation of property purchased with NSP funds

- Purchase
- Mixed Use Properties (Residential Component)
- Rehabilitation of single-family (1 to 4 units) residential homes

CDBG Eligible Activity

24 CFR 570.201 (n): Direct Homeownership Assistance (as modified for NSP).

(n) Homeownership assistance. CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act. (As modified)

24 CFR 570.202: Rehabilitation and Preservation Activities

Eligible rehabilitation and preservation activities for homes and other residential properties. (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity.

National Objective: Low Moderate Middle Income Housing (LMMH)

24 CFR 570.208(a)(3) Housing activities. An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

Activity Description and Specific Requirements:

The City is providing assistance to households, who received NSP funds to purchase an eligible home, to use additional NSP funds to make minor repairs and energy efficient improvements) to the home. The activity is made possible by the financial mechanisms in place as permitted by the above CDBG entitlement regulations and NSP eligible uses.

The primary purpose of the rehabilitation assistance is to provide repairs necessary to ensure safe and decent housing, eliminate any instances of substandard housing. It is also intended to preserve the City's affordable housing stock which had previously been foreclosed on/vacant and purchased by eligible LMMI buyers through the City's NSP activities.

Rehabilitation assistance is being offered to NSP eligible properties to address repairs that:

- Eliminate code violations,
- Provide for home improvements that promote conservation/energy efficiency
- Eliminate signs of blight and assist with stabilizing the neighborhood.

Terms of Financial Assistance and Affordability Periods.

Assistance to make the repairs will be in the form of a zero interest deferred mortgage loan secured by a promissory note for 15 years.

The loan is forgivable in its entirety at the end of the affordability period. The period begins from the recordation date of mortgage and note. There will be no yearly write-down of the loan. Full repayment of the loan is due if the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the owner during affordability period.

To enforce long-term affordability standards, the City will employ recapture and/or resale provisions.

Tenure of Beneficiaries

Beneficiaries are owners of the NSP assisted property.

Eligible Properties

Single-family detached homes, townhomes, condos and villas that were purchased with NSP assistance.

Standards (Types of Repairs)

Repairs will be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability and will comply with the City's rehabilitation standards. Eligible repairs will include:

1. Eliminate building code violations.
2. Abate any health and safety issues in the home.
3. Repair, upgrade, or replace major building systems, as necessary. Major building systems include: Structural, Electrical, Plumbing, Heating, Ventilation, Air Conditioning and Sewer Systems.
4. To prevent weather penetration and promote energy efficiency including the use of Energy Star products in the home.
5. Provide non-luxury general improvements that improve conditions and structure of the home.
6. Provide barrier-free accessibility improvements.
7. The only appliances that will be replaced under the program are non-functional or out-dated stoves or refrigerators. The program

- will not** replace microwaves ~~or washer/dryers~~.
- 8. Exterior and Interior Painting.
- 9. Carpet and Flooring – The program will replace carpet with carpet, with evidence that carpet is in need of replacement. The only time carpet will be replaced with tile/linoleum flooring is in the case of households where the carpet is an impediment to the mobility of the occupant. The only time wood flooring will be installed is when wood already exists and deteriorated wood is being replaced.

HUD standards regarding strategically incorporating modern, green building and energy efficiency improvements in all NSP activities to provide for long-term affordability and increased sustainability and attractiveness of housing neighborhoods will be strongly encouraged.

Comprehensive Repairs and Improvements: Owner-occupied households, assisted in the order in which they applied for the program, will receive a comprehensive inspection and repairs will be comprehensive, addressing only the program priorities above.

Location Description: Citywide.

1) Priority Target Area – East of University and other low/mod block group areas.
Zip Code: 33023, 33024, 33025, 33026, 33029

2) Other units on a citywide basis provided they meet purchase price criteria.

Performance Measures:

Approximately 27 ~~36~~ Properties Receiving Repairs

Budget:

NSP Budget Funds Set Aside for Households (51-120% AMI)
\$1,459,750.87 \$1,000,000 \$1,350,000 To assist approximately 36 27 30MI Households Who Have Just Acquired NSP Properties
Approximately \$50,000 \$30,000 in Home Repair Assistance
Rehabilitation Loans will pay for the labor, materials, inspections and related soft costs required to facilitate and complete required repairs.

Responsible Organization:

City of Pembroke Pines 10100 Pines Boulevard, Pembroke Pines Florida 33026.

Projected Start Date: January 1, 2009

Projected End Date: ~~June 30, 2010~~ August 2010 (18 month commitment date of funds)

3. Activity Name: Financing Mechanisms/Purchase Assistance (For Low Income Households – 50% AMI or Lower)

Activity Type:

NSP-Eligible Uses (Financing Mechanisms) – Direct Homeownership Assistance

- Soft Second Mortgages - Zero percent (0%) interest deferred second mortgage that does not require payment by the NSP recipient as long as terms of agreement between the City and owner are maintained for duration of the affordability period.
- Mortgage Buy Downs – Purchase assistance beyond down payment and closing cost assistance that reduces the first mortgage lender’s loan amount and reduces the monthly housing expense for the NSP recipient.
- Interest Rate Buy Downs – Another method of increasing affordability of housing, by paying a fee upfront with NSP funds to the first mortgage lender to reduce the interest rate.
- First Mortgages – First mortgage with lower than market interest rate, held by the City, resulting in increased affordability due to reduced interest rates (0-5%)

CDBG Eligible Activity

24 CFR 570.201 (n): Direct Homeownership Assistance (as modified for NSP).

(n) Homeownership assistance. CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act. (As modified)

National Objective: Low Moderate Middle Income Housing – LMMH

24 CFR 570.208(a)(3) Housing Activities. An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

Activity Description and Specific Requirements:

- 1) **This activity sets aside funds for households at 0 to 50% of the area median income (AMI). Special consideration will be given to:**
 - a. Persons transitioning from the County’s Homeless Continuum of Care program – First Time Buyers
 - b. Special Needs Households/Displaced Pines Residents

The activity is designed to address the abundance of vacant foreclosed properties in the City by facilitating the purchase of them by qualified low income buyers. It will also address the high cost and sub prime loans in priority neighborhoods. Only conventional, FHA and other approved loan products with responsible lending guidelines are permitted under this activity.

The City of Pembroke Pines will make available financing mechanisms with favorable terms to eligible homebuyers with various options to be applied towards the costs of purchasing an NSP eligible property. (Properties that have been foreclosed on and are vacant ~~for at least 90 days and located~~ in the target geographical area and/or target price range).

Terms of Financial Assistance

Financial assistance will be for up to 50% of the lender's required down payment, closing costs, and mortgage and interest rate buy downs. Applicants will be required to pay a minimum of 1% or more depending on the first mortgage lender's down payment requirement.

NSP assistance will be in the form of a fifteen year, 0% interest, deferred payment loan secured by a second mortgage and promissory note. The loan is forgivable in its entirety at the end of the affordability period which begins from the date of settlement provided the title remains under the ownership of the original purchaser.

There will be no yearly write-down of the loan. Full repayment of the loan is due if the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the owner during the affordability period. Terms may differ depending on the assistance provided from the range of options available to the City

Applicants must work with lenders who have agreed to comply with established underwriting criteria that outlines responsible lending guidelines and sets limitations on fees. Lending programs are prime, FHA or portfolio loans used to meet the lenders Community Reinvestment Act goals. Applicants are responsible for the upfront fee associated with the credit report or loan application fee required by lenders in the form of a money order or cashier's check.

To enforce long-term affordability standards, the City will employ, recapture and/or resale provisions.

Tenure of Beneficiaries

Beneficiaries will become owners of the property.

Eligible Properties

Single-family detached homes, condos, town homes and villas that are foreclosed upon and vacant ~~for at least 90 days~~ are eligible to be purchased with NSP assistance. Short sale purchases will not be permitted under NSP funded purchase activities.

As required by the NSP, the City of Pembroke Pines will require that all foreclosed properties to be assisted with NSP funding be purchased at a discount in accordance with Federal regulations ~~Properties are required to be purchased at a discount of no less than 5% for an individual property and 15% for properties in the aggregate.~~ Discounts will be taken from an independent appraisal.

~~*A minimum 10% discount on a property will be permitted only after an analysis outlining the seller's carrying costs (i.e. taxes, insurance, maintenance, marketing, overhead, interest, etc.) is completed and considered acceptable by HUD.~~

Eligible Applicants

Eligible applicants will be homebuyers selected in the order in which they applied to the program and will be assisted on a first-qualified, first-served basis.

An eligible homebuyer is defined as one who meets the income eligible guidelines and indicates this as their primary place of residence. Residents displaced from mobile home parks seeking to purchase a non mobile home unit also will be considered eligible homebuyers. Applicants must not own any other property used for residential purposes, and the home to be purchased must be located within the City limits.

Pre and Post Homeownership Counseling

Certificate of 8 hour homeownership counseling completion is required prior to loan closing. ~~Post counseling will also be required to remain in compliance with the program. These are conditions to remain in compliance with the NSP financial assistance.~~ All counseling must occur with HUD approved counseling agencies.

Location Description: Citywide.

- 1) Priority Target Area – East of University and other low/mod block group areas.
Zip Code: 33023, 33024, 33025, 33026, 33029
- 2) Other units on a citywide basis provided they meet purchase price criteria.

Performance Measures:

Approximately 044 Loans to Purchase Foreclosed/NSP Eligible Properties

Budget:

NSP Budget Funds Set Aside for Households – 50% AMI or Less
\$580,036.64 To assist approximately 44 Households
Approximately \$50,000 Per NSP Unit to be occupied by Households 50% AMI or Less
NSP Assistance Provides up to 50% of Lenders Required Down Payment & Remaining Goes to Principle or Interest Buy Down – Based on Actual Need

Responsible Organization:

City of Pembroke Pines 10100 Pines Boulevard, Pembroke Pines Florida 33026.

Projected Start Date: January 1, 2009

Projected End Date: ~~June 30, 2010~~ August 2010 (18 month commitment date of funds)

4. Activity Name: Purchase and/or Rehabilitation (For Low Income Households – 50% AMI or Lower)

Activity Type:

NSP-Eligible Uses: Purchase and/or Rehabilitation & Financing Mechanisms

Deferred Loans for rehabilitation of property purchased with NSP funds

- Purchase
- Mixed Use Properties (Residential Component)
- Rehabilitation of single-family (1 to 4 units) residential homes

CDBG Eligible Activity

24 CFR 570.201 (n): Direct Homeownership Assistance (as modified for NSP).

(n) Homeownership assistance. CDBG funds may be used to provide direct homeownership assistance to low- or moderate-income households in accordance with section 105(a) of the Act. (As modified)

24 CFR 570.202: Rehabilitation and Preservation Activities

Eligible rehabilitation and preservation activities for homes and other residential properties. (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity.

National Objective: Low Moderate Middle Income Housing (LMMH)

24 CFR 570.208(a)(3) Housing activities. An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

Activity Description and Specific Requirements:

The City is providing assistance to low income households, who received NSP funds to purchase an eligible home, the ability to use additional NSP funds to make minor repairs and energy efficient improvements) to the home. The activity is made possible by the financial mechanisms in place as permitted by the above CDBG entitlement regulations and NSP eligible uses. This activity is designed to meet NSP's low income targeting requirements and is part of the City's 25% set-aside to households with incomes at 50% or less the area median income.

The primary purpose of the rehabilitation assistance is to provide repairs necessary to ensure safe and decent housing, eliminate any instances of substandard housing. It is also intended to preserve the City's affordable housing stock which had previously been foreclosed on/vacant and purchased by eligible LMMI buyers through the City's NSP activities.

Rehabilitation assistance is being offered to NSP eligible properties to address repairs that:

- Eliminate code violations,
- Provide for home improvements that promote conservation/energy efficiency
- Eliminate signs of blight and assist with stabilizing the neighborhood.

Terms of Financial Assistance and Affordability Periods.

Assistance to make the repairs will be in the form of a zero interest deferred mortgage loan secured by a promissory note for 15 years.

The loan is forgivable in its entirety at the end of the affordability period. The period begins from the recordation date of mortgage and note. There will be no yearly write-down of the loan. Full repayment of the loan is due if the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the owner during affordability period.

To enforce long-term affordability standards, the City will employ recapture and/or resale provisions.

Tenure of Beneficiaries

Beneficiaries are owners of the NSP assisted property.

Eligible Properties

Single-family detached homes, townhomes, condos and villas that were purchased with NSP assistance.

Standards (Types of Repairs)

Repairs will be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability and will comply with the City's rehabilitation standards. Eligible repairs will include:

1. Eliminate building code violations.
2. Abate any health and safety issues in the home.
3. Repair, upgrade, or replace major building systems, as necessary. Major building systems include: Structural, Electrical, Plumbing, Heating, Ventilation, Air Conditioning and Sewer Systems.
4. To prevent weather penetration and promote energy efficiency including the use of Energy Star products in the home.
5. Provide non-luxury general improvements that improve conditions and structure of the home.
6. Provide barrier-free accessibility improvements.
7. The only appliances that will be replaced under the program are non-functional or out-dated stoves or refrigerators. The program **will not** replace microwaves ~~or washer/dryers.~~

8. Exterior and Interior Painting.
9. Carpet and Flooring – The program will replace carpet with carpet, with evidence that carpet is in need of replacement. The only time carpet will be replaced with tile/linoleum flooring is in the case of households where the carpet is an impediment to the mobility of the occupant. The only time wood flooring will be installed is when wood already exists and deteriorated wood is being replaced.

HUD standards regarding strategically incorporating modern, green building and energy efficiency improvements in all NSP activities to provide for long-term affordability and increased sustainability and attractiveness of housing neighborhoods will be strongly encouraged.

Comprehensive Repairs and Improvements: Owner-occupied households, assisted in the order in which they applied for the program, will receive a comprehensive inspection and repairs will be comprehensive, addressing only the program priorities above.

Location Description: Citywide.

Zip Code: 33023, 33024, 33025, 33026, 33027

Performance Measures:

NA

Budget:

NSP Budget Funds Set Aside for Households (0-50% AMI)
\$580,036.64 \$0 To assist approximately 44-0MI Households Who Have Just Acquired NSP Properties
Approximately \$50,000 in Home Repair Assistance
Rehabilitation Loans will pay for the labor, materials, inspections and related soft costs required to facilitate and complete required repairs.

Responsible Organization:

City of Pembroke Pines 10100 Pines Boulevard, Pembroke Pines Florida 33026.

Projected Start Date: January 1, 2009

Projected End Date: ~~June 30, 2010~~ August 2010 (18 month commitment date of funds)

5. Activity Name: Acquisition and Rehabilitation 50% AMI to 120% AMI

NSP-Eligible Uses: Purchase and/or Rehabilitation & Financing Mechanisms

Acquisition and repair of eligible NSP eligible property

The City will acquire property directly or through a third party. Properties acquired using this strategy will have been foreclosed or abandoned. Properties that require extensive repair which prevents them from being purchased with financing, will be acquired, rehabilitated and then either resold or rented to eligible households participating in the NSP program.

Properties acquired under this strategy will be set-aside for low income household (50% AMI or less)

CDBG Eligible Activities

24 CFR 570.201

(a) Acquisition

Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of Sec. 570.207.

(b) Disposition,

Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in Sec. 570.504.

(i) Relocation (if applicable to any project)

Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of Sec. 570.606 (b) or (c); or (2) determined by the grantee to be appropriate under the provisions of Sec. 570.606(d).

24 CFR 570.202: Rehabilitation and Preservation Activities

Eligible rehabilitation and preservation activities for homes and other residential properties. (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity.

National Objective: Low Moderate Middle Income Housing (LMMH)

24 CFR 570.208(a)(3) Housing activities. An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

Activity Description and Specific Requirements:

The City will acquire NSP eligible properties (those that have been foreclosed on or abandoned), rehabilitate them, and then resell or rent them to NSP eligible buyers participating in the program. The City will focus its attention on those properties that are difficult to purchase due to extensive repairs, code violations, etc. The intent is to rehabilitate them, remove signs of blight, and then put them on the market. All properties will be purchased according to appropriate program guidelines, including the minimum discount requirement and after environmental reviews have been completed.

Rehabilitation assistance is being offered to NSP eligible properties to address repairs that:

- Eliminate code violations,
- Provide for home improvements that promote conservation/energy efficiency
- Eliminate signs of blight and assist with stabilizing the neighborhood.

Terms of Financial Assistance and Affordability Periods.

Homes will be resold/maintain an affordability period of 15 years. Cost of repairs will be provided as a deferred loan to new owner-occupant if property when property is sold by the City. The affordability period begins from the recordation date of mortgage and note. There will be no yearly write-down of the loan. Full repayment of the loan is due if the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the owner during affordability period.

To enforce long-term affordability standards, the City will employ recapture and/or resale provisions.

Tenure of Beneficiaries

Owner Occupied and Renters (If Applicable)

Eligible Properties

Single-family detached homes, townhomes, condos and villas that were purchased with NSP assistance.

Standards (Types of Repairs)

Repairs will be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability and will comply with the City's rehabilitation standards. Eligible repairs will include:

1. Eliminate building code violations.
2. Abate any health and safety issues in the home.
3. Repair, upgrade, or replace major building systems, as necessary. Major building systems include: Structural, Electrical, Plumbing, Heating, Ventilation, Air Conditioning and Sewer Systems.
4. To prevent weather penetration and promote energy efficiency including the use of Energy Star products in the home.
5. Provide non-luxury general improvements that improve conditions and structure of the home.
6. Provide barrier-free accessibility improvements.
7. The only appliances that will be replaced under the program are non-functional or out-dated stoves or refrigerators. The program **will not** replace microwaves ~~or washer/dryers~~.
8. Exterior and Interior Painting.
9. Carpet and Flooring – The program will replace carpet with carpet, with evidence that carpet is in need of replacement. The only time carpet will be replaced with tile/linoleum flooring is in the case of households where the carpet is an impediment to the mobility of the occupant. The only time wood flooring will be installed is when wood already exists and deteriorated wood is being replaced.

HUD standards regarding strategically incorporating modern, green building and energy efficiency improvements in all NSP activities to provide for long-term affordability and increased sustainability and attractiveness of housing neighborhoods will be strongly encouraged.

Location Description: Citywide.

1) NSP Target Zip Codes

Zip Codes: 33023, 33025, 33026, 33029

Performance Measures:

\$469,501-~~\$ 919,504~~ to acquire and rehabilitate approximately ~~7~~ 3 units.

Budget:

<u>NSP Budget Funds Set Aside for Households (51-120% AMI)</u>
\$919,501 \$469,501 To acquire and rehabilitate approximately 73 properties.
Approximately \$200,000 to address acquisition and rehabilitation of each unit.
Funding will pay acquisition, labor, materials, inspections and related soft costs required to facilitate total transaction.

Responsible Organization:

City of Pembroke Pines, 10100 Pines Blvd, 33026

Projected Start Date: January 1, 2009

Projected End Date: August 2010 (18 month commitment date of funds)

6. Activity Name: Acquisition and Rehabilitation (0 to 50% AMI) – Low Income Set-Aside

NSP-Eligible Uses: Purchase and/or Rehabilitation & Financing Mechanisms

Acquisition and repair of eligible NSP eligible property

The City will acquire property directly or through a third party. Properties acquired using this strategy will have been foreclosed or abandoned. Properties that require extensive repair which prevents them from being purchased with financing, will be acquired, rehabilitated and then either resold or rented to eligible households participating in the NSP program.

Properties acquired under this strategy will be set-aside for low income household (50% AMI or less)

CDBG Eligible Activities

24 CFR 570.201

(a) Acquisition

Acquisition in whole or in part by the recipient, or other public or private nonprofit entity, by purchase, long-term lease, donation, or otherwise, of real property (including air rights, water rights, rights-of-way, easements, and other interests therein) for any public purpose, subject to the limitations of Sec. 570.207.

(b) Disposition,

Disposition, through sale, lease, donation, or otherwise, of any real property acquired with CDBG funds or its retention for public purposes, including reasonable costs of temporarily managing such property or property acquired under urban renewal, provided that the proceeds from any such disposition shall be program income subject to the requirements set forth in Sec. 570.504.

(i) Relocation (if applicable to any project)

Relocation payments and other assistance for permanently and temporarily relocated individuals families, businesses, nonprofit organizations, and farm operations where the assistance is (1) required under the provisions of Sec. 570.606 (b) or (c); or (2) determined by the grantee to be appropriate under the provisions of Sec. 570.606(d).

24 CFR 570.202: Rehabilitation and Preservation Activities

Eligible rehabilitation and preservation activities for homes and other residential properties. (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity.

National Objective: Low Moderate Middle Income Housing (LMMH)

24 CFR 570.208(a)(3) Housing activities. An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

Activity Description and Specific Requirements:

The City will acquire NSP eligible properties (those that have been foreclosed on or abandoned), rehabilitate them, and then resell or rent them to NSP eligible buyers participating in the program. The City will focus its attention on those properties that are difficult to purchase due to extensive repairs, code violations, etc. The intent is to rehabilitate them, remove signs of blight, and then put them on the market. All properties will be purchased according to appropriate program guidelines, including the minimum discount requirement and after environmental reviews have been completed.

Rehabilitation assistance is being offered to NSP eligible properties to address repairs that:

- Eliminate code violations,
- Provide for home improvements that promote conservation/energy efficiency
- Eliminate signs of blight and assist with stabilizing the neighborhood.

Terms of Financial Assistance and Affordability Periods.

Homes will be resold/maintain an affordability period of 15 years. Cost of repairs will be provided as a deferred loan to new owner-occupant if property when property is sold by the City. The affordability period begins from the recordation date of mortgage and note. There will be no yearly write-down of the loan. Full repayment of the loan is due if the home is sold, title is transferred or conveyed, or the home ceases to be the primary residence of the owner during affordability period.

To enforce long-term affordability standards, the City will employ recapture and/or resale provisions.

Tenure of Beneficiaries

Owner Occupied and Renters (If Applicable)

Eligible Properties

Single-family detached homes, townhomes, condos and villas

Standards (Types of Repairs)

Repairs will be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability and will comply with the City's rehabilitation standards. Eligible repairs will include:

1. Eliminate building code violations.
2. Abate any health and safety issues in the home.
3. Repair, upgrade, or replace major building systems, as necessary. Major building systems include: Structural, Electrical, Plumbing, Heating, Ventilation, Air Conditioning and Sewer Systems.
4. To prevent weather penetration and promote energy efficiency including the use of Energy Star products in the home.
5. Provide non-luxury general improvements that improve conditions and structure of the home.
6. Provide barrier-free accessibility improvements.
7. The only appliances that will be replaced under the program are non-functional or out-dated stoves or refrigerators. The program will not replace microwaves or washer/dryers.
8. Exterior and Interior Painting.
9. Carpet and Flooring – The program will replace carpet with carpet, with evidence that carpet is in need of replacement. The only time carpet will be replaced with tile/linoleum flooring is in the case of households where the carpet is an impediment to the mobility of the occupant. The only time wood flooring will be installed is when wood already exists and deteriorated wood is being replaced.

HUD standards regarding strategically incorporating modern, green building and energy efficiency improvements in all NSP activities to provide for long-term affordability and increased sustainability and attractiveness of housing neighborhoods will be strongly encouraged.

Location Description: Citywide.

Zip Codes: 33023, 33025, 33026, 33029

Performance Measures:

~~\$580,036.35~~ \$1,160,074 to acquire and rehabilitate approximately 5 properties.

Budget:

NSP Budget Funds Set Aside for Households (0% AMI- to 50% AMI)
\$580,036.34 \$1,160,074 To acquire and rehabilitate approximately 5 properties.
Approximately \$200,000 to address acquisition and rehabilitation of each unit.
Funding will pay acquisition, labor, materials, inspections and related soft costs required to facilitate total transaction.

Responsible Organization:

City of Pembroke Pines, 10100 Pines Blvd

Projected Start Date: January 1, 2009

Projected End Date: August 2010 (18 month commitment date of funds)

#7 #5. Activity Name: NSP Planning and Administration

Activity Type: NSP Administration

National Objective: N/A

Projected Start Date: September 29, 2008

Projected End Date: August 31, 2010

Responsible Organization:

City of Pembroke Pines, 10100 Pines Boulevard, Pembroke Pines Florida 33026

Location Description: N/A

Activity Description:

NSP regulation provides a maximum of 10% of an NSP allocation to be awarded to.

Budget:

NSP Budget Funds Set Aside for Administration
- \$319,000.00 for Contractual Planning, Administration, and Implementation

Performance Measures: N/A

III. 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.
- (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 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 income does not exceed 120 percent of area median income.

(11) **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.

(12) **Compliance with anti-discrimination law.** 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.

(13) **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.

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

Signature/Authorized Official

Date

Title