

**Grantee: Escambia County, FL**

**Grant: B-08-UN-12-0005**

**July 1, 2009 thru September 30, 2009 Performance Report**

**Grant Number:**

B-08-UN-12-0005

**Obligation Date:****Grantee Name:**

Escambia County, FL

**Award Date:****Grant Amount:**

\$4,565,918.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**Submitted By:**

No Submitter Found

**Disasters:****Declaration Number**

NSP

**Plan Description:**

Neighborhood Stabilization Program (NSP) funding will be targeted to areas of greatest need in keeping with the priorities established in the National Housing and Economic Recovery Act of 2008, summarized as follows: (a) Areas with the greatest percentage of home foreclosures (score of 9 or 10), (b) Areas with the highest percentage of homes financed by a subprime mortgage related loan (score greater than 41.5%), and (c) Areas identified as having a high probability of facing a significant increase in the rate of home foreclosures (score greater than 8.5%) Utilizing these baseline NSP targeting criteria, Escambia County will primarily focus the NSP activities within the following areas of greatest need: Priority 1: Census Tracts: 3, 4, 6, 13, 15, 16, 17, 18, 19, 20, 21, 22, 24, 28.03, 29, 30, 31 & 40 Targeted Neighborhoods: (1) Community Redevelopment Areas (Warrington, Englewood, Brownsville, Palafox Corridor and Barrancas) (2) Pensacola Community Redevelopment Area (3) Century Enterprise Zone (4) Escambia County Enterprise Zone (5) Pensacola Enterprise Zone Priority 2: Census Tracts: 34, 35.02, 37 Targeted Neighborhoods: (6) Ensley CDBG target Area (7) Cantonment CDBG Target Area During the initial twelve months after NSP grant award, Escambia County will target NSP activities to addressing foreclosed, vacant, abandoned and/or blighted homes or properties located with those areas encompassing Priority 1 above, as depicted on target area maps included in this section. Of the total NSP funds expended by Escambia County during this period, a minimum of 80% shall be within Priority 1 areas. Thereafter, the County will consider expending NSP funds within Priority 2 areas.

**Recovery Needs:****Homeownership:**

Flexible, subordinate NSP second or third mortgage financing will assist eligible LMMI buyers in the purchase, rehabilitation, and/or redevelopment of foreclosed upon homes or residential properties. Assistance shall be tailored to the individual affordability and financing needs of LMMI homebuyers in conjunction with underwriting requirements established with participating first mortgage lenders.

**Non-Homeownership Tenancy (including Special Needs/Homeless):**

NSP assisted acquisition/rehabilitation and/or redevelopment of vacant, foreclosed or abandoned properties to provide affordable housing opportunities for LMMI special needs persons or families and/or those in need of affordable rental units.

**Demolition of Blighted Properties:**

NSP targeted areas exhibit above average numbers of blighted, dilapidated residential properties and structures that require demolition for the betterment of the impacted neighborhoods. NSP funds will support targeted demolition to address this need at the neighborhood level.

**Overall****This Report Period****To Date**

|  |              |                |
|--|--------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A          | \$4,565,918.00 |
| <b>Total CDBG Program Funds Budgeted</b>       | N/A          | \$4,565,918.00 |
| <b>Program Funds Drawdown</b>                  | \$147,084.00 | \$147,084.00   |
| <b>Obligated CDBG DR Funds</b>                 | \$145,209.00 | \$147,084.00   |
| <b>Expended CDBG DR Funds</b>                  | \$111,234.00 | \$111,234.00   |
| <b>Match Contributed</b>                       | \$0.00       | \$0.00         |
| <b>Program Income Received</b>                 | \$0.00       | \$0.00         |
| <b>Program Income Drawdown</b>                 | \$0.00       | \$0.00         |

## Progress Toward Required Numeric Targets

| <b>Requirement</b>                        | <b>Required</b> | <b>To Date</b> |
|---|-----------------|----------------|
| <b>Minimum Overall Benefit Percentage</b> | \$99.99         | \$50.00        |
| <b>Minimum Non-Federal Match</b>          | \$0.00          | \$0.00         |
| <b>Limit on Public Services</b>           | \$684,887.70    | \$0.00         |
| <b>Limit on Admin/Planning</b>            | \$456,591.80    | \$31,709.00    |
| <b>Limit on State Admin</b>               | \$0.00          | \$0.00         |

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

### Overall Progress Narrative:

Activities funded under the NSP Program are generally underway. The County is evaluating various activities to determine those that work best given the purposes, limitations, regulatory requirements, and spendout requirements for NSP. The non-profit supported activities are most effective for our purposes, and it is anticipated that more of the NSP initiative will be shifted to the non-profit sector as implementation proceeds. Extensive work was required to develop NSP specific agreements, forms, procedures, etc. during the initial implementation period. The NSP Target Area will also be expanded to incorporate the Tier 2 areas in January 2010, which will markedly increase housing choices for NSP applicants. At this juncture, homebuyer units have closed, rehabilitation work is underway and completions will begin to be reported in the upcoming reporting period.

### Project Summary

| <b>Project #, Project Title</b>        | <b>This Report Period</b>     |                               | <b>To Date</b>                |                               |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
|  | <b>Project Funds Budgeted</b> | <b>Program Funds Drawdown</b> | <b>Project Funds Budgeted</b> | <b>Program Funds Drawdown</b> |
| 1, Financing Mechanism                 | \$0.00                        | \$85,000.00                   | \$1,550,000.00                | \$85,000.00                   |
| 2, Acquisition/Rehabilitation for Sale | \$0.00                        | \$375.00                      | \$1,000,000.00                | \$375.00                      |
| 3, Demolition of Blighted Properties   | \$0.00                        | \$0.00                        | \$142,847.00                  | \$0.00                        |
| 4, Redevelopment                       | \$0.00                        | \$30,000.00                   | \$1,416,480.00                | \$30,000.00                   |
| 5, Administration                      | \$0.00                        | \$31,709.00                   | \$456,591.00                  | \$31,709.00                   |

## Activities

|                                 |  |
|---------------------------------|--|
| <b>Grantee Activity Number:</b> | <b>Escambia - 1</b>                      |
| <b>Activity Title:</b>          | <b>Home Purchase Financing Mechanism</b> |

**Activity Category:**

Homeownership Assistance to low- and moderate-income

**Activity Status:**

Under Way

**Project Number:**

1

**Project Title:**

Financing Mechanism

**Projected Start Date:**

05/01/2009

**Projected End Date:**

09/30/2013

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Escambia County/NEFI

| Overall  | Jul 1 thru Sep 30, 2009 | To Date        |
|--|-------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                     | \$1,550,000.00 |
| <b>Total CDBG Program Funds Budgeted</b>       | N/A                     | \$1,550,000.00 |
| <b>Program Funds Drawdown</b>                  | \$85,000.00             | \$85,000.00    |
| <b>Obligated CDBG DR Funds</b>                 | \$83,125.00             | \$85,000.00    |
| <b>Expended CDBG DR Funds</b>                  | \$49,150.00             | \$49,150.00    |
| <b>Match Contributed</b>                       | \$0.00                  | \$0.00         |
| <b>Program Income Received</b>                 | \$0.00                  | \$0.00         |
| <b>Program Income Drawdown</b>                 | \$0.00                  | \$0.00         |

### Activity Description:

Overview of NSP Activity 01: Flexible, subordinate NSP second or third mortgage financing will assist eligible LMMI buyers in the purchase, rehabilitation, and/or redevelopment of foreclosed upon homes or residential properties. Assistance shall be tailored to the individual affordability and financing needs of LMMI homebuyers in conjunction with underwriting requirements established with participating first mortgage lenders. Underwriting shall minimally meet current FHA or Fannie Mae standards for 15-40 year fixed rate mortgage products with standard amortization. No subprime, interest only, balloon, adjustable rate, or similar unconventional mortgage products shall be allowed with respect to this NSP activity. NSP assistance shall be paid at closing on the purchase of the home or property for the benefit of the LMMI buyer, including funds to fund the rehabilitation escrow if required to bring the home into code compliance. Tenure of Beneficiaries: Homeownership Terms Applicable to NSP Assistance: (i) Affordability Period (duration): Minimum affordability periods shall conform to the HOME Program Homeownership Assistance requirements at 24 CFR Part 92.254(A)(4). The period shall be predicated upon the amount of permanent NSP assistance per unit. (ii) Financing Terms: Homebuyers assisted via NSP Activity 01 shall receive subordinate mortgage financing in the form of a Deferred Payment Loan at zero percent (0%) interest secured by mortgage, note and deed restriction with repayment due upon default as a result of the sale, transfer, refinancing, encumbrance, or rental of the housing unit or property, unless the home or property is subsequently sold to a qualifying LMMI family (see Mechanism for Maintaining Continued Affordability section below for details). Repayment requirements are: full repayment is required upon default or if the sale, transfer, encumbrance, or rental of the subject housing unit occurs within the applicable affordability period. Assuming occupancy and compliance with program requirements for the full duration of the applicable affordability period, the NSP assistance will be forgiven. (iii) Discount Rate: Individual foreclosed homes or properties assisted through this activity shall be purchased at a minimum five percent (5%) discount from the current market-appraised value as defined in the NSP Regulations, and the local NSP portfolio in aggregate shall reflect a minimum fifteen percent (15%) discount from the current market-appraised value as defined in the NSP Regulations. Local purchase negotiations shall target the deepest discount possible given the condition, length of REO status, and carrying time/costs of the seller (lender). (iv) Sales Price: The sales price 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). Mechanism for Maintaining Continued Affordability: NSP Funds will be provided as a soft second or third mortgage in

conjunction with each foreclosed home or property purchase by a LMMI eligible buyer. Such assistance shall be secured by Escambia County with a subordinate mortgage and deed restriction with an affordability period minimally conforming to that specified for Homeownership Assistance under the HOME Program as detailed in 24 CFR Part 92.254(A)(4). The deferred payment loan must be repaid by the buyer in the event of the sale, rental, refinancing, or transfer of ownership of the home or property, unless the initial buyer who is selling the home or property sells the subject home or property to a new buyer with qualifying income in the same range as the initial buyer according to the most current HUD income guidelines. If the initial buyer complies with this requirement, the NSP mortgage and deed restriction shall not become due on sale and or transfer of ownership, but shall be assumed by the subsequent buyer with continuing applicability for any subsequent sales occurring within the affordability period (as denoted above). Compliance with this provision will be verified by NEFI or the Countys staff with responsibility for Housing and Community Development Programs at the time of occurrence.

### Location Description:

NSP financing mechanisms will be available within the following Priority 1 Neighborhoods: Escambia County Community Redevelopment Areas (Brownsfille, Englewood, Palafox Corridor, Warrington & Barrancas); Pensacola Community Redevelopment Area, Escambia County & Pensacola Enterprise Zones, and Town of Century Enterprise Zone. If NSP funds remain, Priority 2 Neighborhoods, includign Ensley and Cantonment CDBG Target Areas, will be considered after 12 months.

### Activity Progress Narrative:

Madison closed on July 9, 2009; rehabilitation of home underway. Talladega will close the first part of October (LFP inspection and appraisal competed July; Inspection/Rehab Specifications completed in August; Rehab Contract executed in September; Septic Inspection completed September).

### Performance Measures

|                             | This Report Period |     |       | Cumulative Actual Total / Expected |      |       |
|-----------------------------|--------------------|-----|-------|------------------------------------|------|-------|
|                             | Low                | Mod | Total | Low                                | Mod  | Total |
| # of housing units          | 0                  | 0   | 2     | 0/0                                | 0/0  | 2/30  |
| # of Households benefitting | 1                  | 1   | 2     | 1/6                                | 1/24 | 2/30  |

### Activity Locations

| Address        | City      | State | Zip   |
|----------------|-----------|-------|-------|
| 306 N. Madison | Pensacola | NA    | 32505 |
| 187 Talladega  | Pensacola | NA    | 32506 |

### Other Funding Sources Budgeted - Detail

#### No Other Match Funding Sources Found

| Other Funding Sources          | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found |        |
| Total Other Funding Sources    |        |

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**Grantee Activity Number:** Escambia - 2 (a)  
**Activity Title:** Acquisition (NP for Resale)

**Activity Category:**

Acquisition - general

**Project Number:**

2

**Projected Start Date:**

05/01/2009

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehabilitation for Sale

**Projected End Date:**

09/30/2013

**Responsible Organization:**

Participating Non-Profit Organizations

| Overall  | Jul 1 thru Sep 30, 2009 | To Date      |
|--|-------------------------|--------------|
| <b>Total Projected Budget from All Sources</b> | N/A                     | \$600,000.00 |
| <b>Total CDBG Program Funds Budgeted</b>       | N/A                     | \$600,000.00 |
| <b>Program Funds Drawdown</b>                  | \$375.00                | \$375.00     |
| <b>Obligated CDBG DR Funds</b>                 | \$375.00                | \$375.00     |
| <b>Expended CDBG DR Funds</b>                  | \$375.00                | \$375.00     |
| <b>Match Contributed</b>                       | \$0.00                  | \$0.00       |
| <b>Program Income Received</b>                 | \$0.00                  | \$0.00       |
| <b>Program Income Drawdown</b>                 | \$0.00                  | \$0.00       |

**Activity Description:**

Overview of NSP Activity 02: NSP funds will be used to create: (i) a revolving, zero interest loan pool from which agencies implementing this Activity can access NSP funds to finance all costs required to culminate the purchase, rehabilitation/redevelopment and resale of foreclosed upon homes or properties to assist eligible LMMI buyers. Such cost shall include all customary expenses, including a reasonable project delivery/development cost payable to the implementing agency. The Maximum Sales Price shall be an amount equal to or less than the aggregate (total) cost to acquire and rehabilitate or redevelop the subject home or property up to a decent, safe and habitable condition (including related project delivery and soft costs). Project delivery cost shall be calculated as a percentage applied to the aggregate acquisition/rehab cost which is added to such cost to determine the Maximum Sales Price. An 8% project delivery/ development cost shall be deemed reasonable and shall be allowed without necessity for detailed justification. Any percentage above 8% shall only be allowed upon submission of detailed cost documentation by the implementing agency. (ii) soft second/third mortgage assistance to enhance affordability of the homes for the ultimate LMMI buyers. The amount of second mortgage assistance shall be for the benefit of the homebuyers and shall reflect the financing needs of individual LMMI buyers with respect to underwriting requirements of participating first mortgage lenders. Underwriting shall minimally meet current FHA or Fannie Mae standards for 15-40 year fixed rate mortgage products with standard amortization. No subprime, interest only, balloon, adjustable rate, or similar unconventional mortgage products shall be allowed with respect to this NSP activity. NSP assistance for the benefit of the buyer shall be applied at closing on the purchase of the home or property for the benefit of the LMMI buyer. Any residual financing provided to the implementing agency under #1 (above), which is not applied at closing for the direct benefit of the buyer(s), shall be repaid at closing to the Escambia County NSP fund by the implementing agency. Tenure of Beneficiaries: Homeownership Terms Applicable to NSP Assistance: (i) Affordability Period (duration): Minimum affordability periods shall conform to the HOME Program Homeownership Assistance requirements at 24 CFR Part 92.254(A)(4). The period shall be predicated upon the amount of permanent NSP assistance per unit. (ii) Financing Terms: Homebuyers assisted via NSP Activity 02 shall receive subordinate mortgage financing in the form of a Deferred Payment Loan at zero percent (0%) interest secured by mortgage, note and deed restriction with repayment due upon default as a result of the sale, transfer, refinancing, encumbrance, or rental of the housing unit or property, unless the home or property is subsequently sold to a qualifying LMMI family (see Mechanism for Maintaining Continued Affordability section below for details). Repayment requirements are: full repayment is required upon default or if the sale, transfer, encumbrance, or rental of the subject housing unit occurs within the applicable affordability period. Assuming occupancy and compliance with program requirements for the full duration of the applicable affordability period, the NSP assistance will be forgiven. (iii) Discount Rate: Individual foreclosed homes or properties assisted through this activity shall be purchased at a minimum five percent (5%) discount from the current market-appraised value as defined in the NSP Regulations, and the local NSP portfolio in aggregate shall reflect a minimum fifteen percent (15%) discount from the current market-appraised value as defined in the NSP Regulations. Local purchase negotiations shall target the deepest discount possible given the condition, length of REO status, and carrying time/costs of the seller (lender) (iv) Sales Price: 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). Mechanism for Maintaining Continued Affordability: NSP Funds will be provided as a soft second or third mortgage in conjunction with each foreclosed home or property purchased by a LMMI eligible buyer. Such assistance shall be secured by Escambia County with a subordinate mortgage and deed restriction with an affordability period minimally conforming to that specified for Homeownership Assistance under the HOME Program as detailed in 24 CFR Part 92.254(A)(4). The deferred payment loan must be repaid by the buyer in the event of the sale, rental, refinancing, or transfer of ownership of the home or property, unless the initial buyer who is selling the home or property subsequently sells the subject home or property to a new buyer with qualifying income in the same range as the initial buyer. If the initial buyer complies with this requirement, the NSP mortgage and deed restriction shall not become due on sale and or transfer of ownership, but shall be assumed by the subsequent buyer with continuing applicability for any subsequent sales occurring within the affordability period (as denoted above).

**Location Description:**

NSP Priority 1 Target Areas in Escambia County, including: Escambia & Pensacola community Redevelopment Areas; Escambia & Pensacola Enterprise Zones; and Town of Century Enterprise Zone. Escambia Priority 2 Target Areas, Ensley and Cantonment CDBG Areas, will be considered only after 12 months should NSP funds remain.

**Activity Progress Narrative:**

Bridgedale did not proceed to closing; NFP offer was not accepted.

**Performance Measures**

|                                   | This Report Period |     |       | Cumulative Actual Total / Expected |      |       |
|-----------------------------------|--------------------|-----|-------|------------------------------------|------|-------|
|                                   | Low                | Mod | Total | Low                                | Mod  | Total |
| # of Properties                   | 0                  | 0   | 0     | 0/0                                | 0/0  | 0/20  |
| # of housing units                | 0                  | 0   | 0     | 0/0                                | 0/0  | 0/20  |
| # of buildings (non-residential)  | 0                  | 0   | 0     | 0/0                                | 0/0  | 0/0   |
| # of Households benefitting       | 0                  | 0   | 0     | 0/4                                | 0/16 | 0/20  |
| # of Persons benefitting          | 0                  | 0   | 0     | 0/12                               | 0/48 | 0/60  |
| # of Parcels acquired by          | 0                  | 0   | 0     | 0/0                                | 0/0  | 0/0   |
| # of Parcels acquired voluntarily | 0                  | 0   | 0     | 0/0                                | 0/0  | 0/20  |

**Activity Locations**

| Address         | City      | State | Zip   |
|-----------------|-----------|-------|-------|
| 4633 Bridgedale | Pensacola | NA    | 32505 |

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

| Other Funding Sources          | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found |        |
| Total Other Funding Sources    |        |

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|                                 |  |
|---------------------------------|--|
| <b>Grantee Activity Number:</b> | <b>Escambia - 3</b>                      |
| <b>Activity Title:</b>          | <b>Demolition of Blighted Properties</b> |

**Activity Category:**

Clearance and Demolition

**Activity Status:**

Under Way

**Project Number:**

3

**Project Title:**

Demolition of Blighted Properties

**Projected Start Date:**

06/01/2009

**Projected End Date:**

06/01/2010

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Escambia County/NEFI

| <b>Overall</b>                                 | <b>Jul 1 thru Sep 30, 2009</b> | <b>To Date</b> |
|--|--------------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                            | \$142,847.00   |
| <b>Total CDBG Program Funds Budgeted</b>       | N/A                            | \$142,847.00   |
| <b>Program Funds Drawdown</b>                  | \$0.00                         | \$0.00         |
| <b>Obligated CDBG DR Funds</b>                 | \$0.00                         | \$0.00         |
| <b>Expended CDBG DR Funds</b>                  | \$0.00                         | \$0.00         |
| <b>Match Contributed</b>                       | \$0.00                         | \$0.00         |
| <b>Program Income Received</b>                 | \$0.00                         | \$0.00         |
| <b>Program Income Drawdown</b>                 | \$0.00                         | \$0.00         |

**Activity Description:**

Overview of NSP Activity 03: NSP funds will be used to support demolition and stabilization of blighted buildings and structures and associated costs, within NSP targeted neighborhoods. Funds will be used directly by the County and its partner agencies for this purpose, and shall be provided in the form of grants. The overall purpose is to eliminate blighting conditions and aid in stabilizing the targeted neighborhoods. Tenure of Beneficiaries: NSP Activity 03 will benefit all residents of LMMI neighborhoods through the elimination of blighting conditions. Terms Applicable to NSP Assistance: (i) Affordability Period (duration): N/A (ii) Financing Terms: NSP funds expended for demolition shall be a deferred grant secured by a lien on the subject property. (iii) Discount Rate: N/A (iv) Sales Price: N/A Mechanism for Maintaining Continued Affordability: N/A

**Location Description:**

NSP funds will support the demolition of blighted vacant properties and residential structures within one or more of the following NSP Targeted Neighborhoods: Escambia County Community Redevelopment Areas (Palafox Corridor, Eglewood, Warrington, Barrancas and Brownsville).

**Activity Progress Narrative:**

The Demolition/Clearance activity targets the demolition of abandoned/blighted, code deficient(condemned) properties lying within the area known as the Clarinda Triangle (generally bounded by Palafox St., Pace Blvd and Clarinda Lane) and located in the Palafox Corridor Community Redevelopment Area (CRA). Approximately 32 vacant houses and 23 vacant mobile homes will be demolished and the property generally cleared and secured through this NSP funded initiative. This will eliminate a significant economic disincentive within the NSP targeted area. As of 9/30/09, the County has solicited proposals from qualified environmental firms to complete site assessments and prepare detailed specifications for proper removal and demolition of the structures, debris and associated blighting conditions on the site. Two firms responded to the RLI and were ranked based on qualifications and experience as follows: (1) MACTEC and (2) PSI. Contract negotiations are underway with MACTEC for the assessment and specifications phase. It is anticipated that this portion of the project will cost less than \$50,000.

**Performance Measures**

| <b>This Report Period</b> |            |              | <b>Cumulative Actual Total / Expected</b> |            |              |
|---------------------------|------------|--------------|---|------------|--------------|
| <b>Low</b>                | <b>Mod</b> | <b>Total</b> | <b>Low</b>                                | <b>Mod</b> | <b>Total</b> |



# of Properties

0

0

0

0/0

0/0

0/25

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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|                                 |   |
|---------------------------------|---|
| <b>Grantee Activity Number:</b> | <b>Escambia - 4 (a)</b>                             |
| <b>Activity Title:</b>          | <b>Redevelopment of Vacant Properties (Housing)</b> |

**Activity Category:**

Construction of new housing

**Activity Status:**

Under Way

**Project Number:**

4

**Project Title:**

Redevelopment

**Projected Start Date:**

06/01/2009

**Projected End Date:**

06/01/2011

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Participating Non-Profit Organizations

| <b>Overall</b>                                 | <b>Jul 1 thru Sep 30, 2009</b> | <b>To Date</b> |
|--|--------------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                            | \$275,000.00   |
| <b>Total CDBG Program Funds Budgeted</b>       | N/A                            | \$275,000.00   |
| <b>Program Funds Drawdown</b>                  | \$0.00                         | \$0.00         |
| <b>Obligated CDBG DR Funds</b>                 | \$0.00                         | \$0.00         |
| <b>Expended CDBG DR Funds</b>                  | \$0.00                         | \$0.00         |
| <b>Match Contributed</b>                       | \$0.00                         | \$0.00         |
| <b>Program Income Received</b>                 | \$0.00                         | \$0.00         |
| <b>Program Income Drawdown</b>                 | \$0.00                         | \$0.00         |

**Activity Description:**

Overview of NSP Activity 04: NSP funds will be used to create: (i) a revolving, zero interest loan pool from which agencies implementing this Activity can access NSP funds to finance all costs required to culminate the purchase, rehabilitation/redevelopment and ultimate reuse of targeted properties for the benefit of LMMI populations and/or LMMA neighborhoods. Such costs shall include all customary expenses, including a reasonable project delivery/development cost payable to the implementing agency. . The Maximum Sales Price shall be an amount equal to or less than the aggregate (total) cost to acquire and rehabilitate or redevelop the subject home or property up to a decent, safe and habitable condition (including related project delivery and soft costs). Project delivery cost shall be calculated as a percentage applied to the aggregate acquisition/rehab cost which is added to such cost to determine the Maximum Sales Price. For property reuses involving rental or ownership housing development an eight percent (8%) project delivery/development cost shall be deemed reasonable and shall be allowed without necessity for detailed justification. Any percentage above 8% shall only be allowed upon submission of detailed cost documentation by the implementing agency. (ii) The form of assistance provided in conjunction with NSP Activity 04 will depend on the specific reuse of each property, generally summarized as follows: (a) Reuse for Ownership Housing: NSP funds will be provided as soft second/third mortgage assistance to enhance affordability of the resulting homes for the ultimate LMMI buyers. The amount of second mortgage assistance shall be for the benefit of the homebuyers and shall reflect the financing needs of individual LMMI buyers with respect to underwriting requirements of participating first mortgage lenders. Underwriting shall minimally meet current FHA or Fannie Mae standards for 15-40 year fixed rate mortgage products with standard amortization. No subprime, interest only, balloon, adjustable rate, or similar unconventional mortgage products shall be allowed with respect to this NSP activity. NSP assistance for the benefit of the buyer shall be applied at closing on the purchase of the home or property for the benefit of the LMMI buyer. Any residual financing provided to the implementing agency under #1 (above), which is not applied at closing for the direct benefit of the buyer(s), shall be repaid at closing to the Escambia County NSP fund by the implementing agency. (b) Reuse for Rental Housing: NSP funds will be loaned to experienced and capable public or non-profit agencies acting as developers of affordable rental housing in the form of soft second/third mortgages, typically at zero percent (0%) interest, for a minimum affordability period of 20 years. Escambia County reserves the right to charge a reasonable rate of interest on such loans based upon individual underwriting analysis. Properties will be mortgaged and deed restricted for the full term of the affordability period. Tenure of Beneficiaries: Funds from this Activity may be expended in support Homeownership and/or Rental housing, as well as developments that support neighborhood redevelopment. Terms Applicable to NSP Assistance: (i) Affordability Period (duration): Properties redeveloped for rental or ownership housing shall minimally conform to the HOME Program Homeownership Assistance requirements at 24 CFR Part 92.254(A)(4), or the Rental Assistance requirements at 24 CFR Part 92.252(a)(e), as applicable to the individual housing development project. This is not applicable to the use of NSP funds for non-housing production under this Activity. (ii) Financing Terms: Homebuyers assisted via NSP Activity 04 shall receive subordinate mortgage financing in the form of a Deferred Payment Loan at zero percent (0%) interest secured by mortgage, note and deed restriction with repayment due upon default as a result of the sale, transfer, refinancing, encumbrance, or rental of the housing unit or property, unless the home or property is subsequently sold to a qualifying LMMI family (see Mechanism for Maintaining Continued Affordability section below for details). Repayment requirements are: full repayment is required upon

default or if the sale, transfer, encumbrance, or rental of the subject housing unit occurs within the applicable affordability period. Assuming occupancy and compliance with program requirements for the full duration of the applicable affordability period, the NSP assistance will be forgiven. For non-housing activities, NSP funds shall be typically provided as soft or deferred loans with or without interest (example: commercial redevelopment) or grants for public facilities and improvements (example: public park). (iii) Discount Rate: If foreclosed or abandoned properties are acquired under this Activity they shall be purchased at a minimum five percent (5%) discount from the current market-appraised value as defined in the NSP Regulations, and shall be reflected in calculating the local NSP portfolio in aggregate discount. Such purchases shall target the deepest discount possible given the condition, length of REO status, and carrying time/costs of the seller (lender). Blighted properties that do not fall within the foreclosed or abandoned definitions shall be acquired at a price no greater than the market value established by a current market appraisal as defined in the NSP Regulations. (iv) Sales Price (Applicable only to property redeveloped for ownership housing): Shall be in an amount equal to or less than the cost to acquire and redevelop or rehabilitate the property in accordance with governing building codes and standards. (Sales and closing costs are eligible NSP acquisition and 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). Rental Rates (Applicable only to property redeveloped for rental housing): (1) Low income Units: For units targeted to families with incomes below 50% of median income, monthly rents and related charges shall be calculated and charged to eligible tenants according to the requirements of the Section 8 Housing Choice Voucher Program as administered by the City of Pensacola Housing Department. (2) Low, Moderate and Middle Income Units: For remaining rental units, affordability is defined as housing that costs no more than 30 percent of a household's income on rent, with adjustment for tenant paid utilities. Mechanism for Maintaining Continued Affordability: Housing produced through implementation of this Activity will be provided as a soft second or third mortgage in conjunction with each redeveloped property purchased by a LMMI eligible buyer or a private or non-profit developer for rental purposes. Such assistance shall be secured by Escambia County with a subordinate mortgage and/or deed restriction with an affordability period minimally conforming to that specified for Homeownership Assistance requirements at 24 CFR Part 92.254(A)(4), or the Rental Assistance requirements at 24 CFR Part 92.252(a)(e), as applicable to the individual housing development project.

**Location Description:**

Activity will be implemented in the following NSP targeted neighborhoods: Escambia & Pensacola Community Redevelopment Areas, Escambia & Pensacola Enterprise Zones, and/or Town of Century Enterprise Zone.

**Activity Progress Narrative:**

**Performance Measures**

|                             | This Report Period |     |       | Cumulative Actual Total / Expected |     |       |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|
|                             | Low                | Mod | Total | Low                                | Mod | Total |
| # of housing units          | 0                  | 0   | 0     | 0/0                                | 0/0 | 0/11  |
| # of Households benefitting | 0                  | 0   | 0     | 0/3                                | 0/8 | 0/11  |

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

| Other Funding Sources          | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found |        |
| Total Other Funding Sources    |        |



|                                 |   |
|---------------------------------|---|
| <b>Grantee Activity Number:</b> | <b>Escambia - 4 (b)</b>                       |
| <b>Activity Title:</b>          | <b>Redevelopment (Housing: 25% Set-Aside)</b> |

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

4

**Project Title:**

Redevelopment

**Projected Start Date:**

07/01/2009

**Projected End Date:**

09/30/2013

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

Escambia County/NEFI

| <b>Overall</b>                                 | <b>Jul 1 thru Sep 30, 2009</b> | <b>To Date</b> |
|--|--------------------------------|----------------|
| <b>Total Projected Budget from All Sources</b> | N/A                            | \$1,141,480.00 |
| <b>Total CDBG Program Funds Budgeted</b>       | N/A                            | \$1,141,480.00 |
| <b>Program Funds Drawdown</b>                  | \$30,000.00                    | \$30,000.00    |
| <b>Obligated CDBG DR Funds</b>                 | \$30,000.00                    | \$30,000.00    |
| <b>Expended CDBG DR Funds</b>                  | \$30,000.00                    | \$30,000.00    |
| <b>Match Contributed</b>                       | \$0.00                         | \$0.00         |
| <b>Program Income Received</b>                 | \$0.00                         | \$0.00         |
| <b>Program Income Drawdown</b>                 | \$0.00                         | \$0.00         |

**Activity Description:**

Overview of NSP Activity 04(b): NSP funds will be used provide soft financing (including grants) to local non-profit agencies experienced in providing housing and supportive services to special needs populations in the community. This Activity is focused on families or individuals with incomes below 50% of area median. As noted above, NSP funds provide the financing mechanism to secure foreclosed or abandoned homes or properties and to properly rehabilitate/redevelop them into usable housing facilities that will meet the needs of such agencies and their clients. Most typically, direct grants or very soft mortgages are required to finance the housing component of such projects. This enables the non-profit agency to use its limited resources to meet the long term supportive service needs of the clients. Tenure of Beneficiaries: Primarily Rental (but there may be limited opportunities for creating permanent homeownership housing options for homeless or special needs persons or families) Terms Applicable to NSP Assistance: (i) Affordability Period (duration): NSP assisted homes or properties made available through this Activity shall be deed restricted for use in meeting the needs of targeted special needs populations for a minimum of 20 years from the date of the deed restriction. The only exception to this rule will be that after five years the participating agencies will have the option to "sell" an individual NSP assisted home to a low income client upon the clients' demonstrated capacity for homeownership. A low income client shall be defined as a person or family meeting the HUD published 80% of median income limits for the Pensacola area, adjusted for family size. In such an instance, the sales price shall not exceed the original total cost of acquiring and rehabilitating/redeveloping the NSP assisted unit (including a reasonable developer's fee as defined elsewhere in this document). (ii) Financing Terms: Direct Grants are anticipated to be the primary form of assistance under this Activity. Long term affordability will be secured by deed restriction on the property. (iii) Discount Rate: Individual foreclosed homes or properties assisted through this activity shall be purchased at a minimum five percent (5%) discount from the current market-appraised value as defined in the NSP Regulations, and the local NSP portfolio in aggregate shall reflect a minimum fifteen percent (15%) discount from the current market-appraised value as defined in the NSP Regulations. Local purchase negotiations shall target the deepest discount possible given the condition, length of REO status, and carrying time/costs of the seller (lender) (iv) Sales Price: Not applicable, except in the event of down stream sale to a client as described in subsection (d)(i) . Mechanism for Maintaining Continued Affordability: Minimum twenty (20) year deed restricted use of the property for delivery of housing services to special needs populations. Affordability periods shall minimally conforming to that specified for Homeownership Assistance under the HOME Program as detailed in 24 CFR Part 92.254(A)(4).

**Location Description:**

This activity may be utilized in any of the designated Priority 1 NSP target neighborhoods: Escambia & Pensacola Community Redevelopment Areas, Escambia & Pensacola Enterprise Zones, and/or Town of Century Enterprise Zone.

**Activity Progress Narrative:**

New Construction of Affordable Homes: Funds expended for acquisition of foreclosed property @ Gary Ave for construction of

3 units targeted to 50% AMI buyers.

Acquisition/Redevelopment/Preservation of Affordable Housing; RFP was issued to identify secure a non-profit agency with capacity to work with the County to acquire and redevelop a foreclosed multi-unit property (mobile home park) to preserve the property as workforce housing and avoid its loss to the local affordable housing inventory. Responses were received and the non-profit developer, BRACE, has been selected for this initiative.

## Performance Measures

|                             | This Report Period |     |       | Cumulative Actual Total / Expected |     |       |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|
|                             | Low                | Mod | Total | Low                                | Mod | Total |
| # of housing units          | 0                  | 0   | 0     | 0/0                                | 0/0 | 0/19  |
| # of Households benefitting | 0                  | 0   | 0     | 0/19                               | 0/0 | 0/19  |

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources          | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found |        |
| Total Other Funding Sources    |        |

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**Grantee Activity Number:** Escambia - 5

**Activity Title:** Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

5

**Project Title:**

Administration

**Projected Start Date:**

04/01/2009

**Projected End Date:**

09/30/2013

**National Objective:**

N/A

**Responsible Organization:**

Escambia County/NEFI

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

|  |             |              |
|--|-------------|--------------|
| <b>Total Projected Budget from All Sources</b> | N/A         | \$456,591.00 |
| <b>Total CDBG Program Funds Budgeted</b>       | N/A         | \$456,591.00 |
| <b>Program Funds Drawdown</b>                  | \$31,709.00 | \$31,709.00  |
| <b>Obligated CDBG DR Funds</b>                 | \$31,709.00 | \$31,709.00  |
| <b>Expended CDBG DR Funds</b>                  | \$31,709.00 | \$31,709.00  |
| <b>Match Contributed</b>                       | \$0.00      | \$0.00       |
| <b>Program Income Received</b>                 | \$0.00      | \$0.00       |
| <b>Program Income Drawdown</b>                 | \$0.00      | \$0.00       |

**Activity Description:**

Funding will support overall NSP administration, programmatic and financial management of project activities, NSP reporting, interaction with all participating entities, project compliance monitoring, auditing and related actions as required to effectively implement the NSP program in Escambia County.

**Location Description:**

Administration activities will be carried out within Escambia County, Florida.

**Activity Progress Narrative:**

**Performance Measures**

No Performance Measures found.

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

**Other Funding Sources**

**Amount**

No Other Funding Sources Found

Total Other Funding Sources

