

# Grantee: Florida

## Grant: B-11-DN-12-0001

### October 1, 2020 thru December 31, 2020 Performance Report

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<b>Grant Number:</b> B-11-DN-12-0001	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> Florida	<b>Contract End Date:</b> 03/10/2014	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$8,511,111.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> No QPR Contact Found
<b>LOCCS Authorized Amount:</b> \$8,511,111.00	<b>Estimated PI/RL Funds:</b> \$1,000,000.00	
<b>Total Budget:</b> \$9,511,111.00		

### Disasters:

#### Declaration Number

No Disasters Found

### Narratives

#### Summary of Distribution and Uses of NSP Funds:

The Neighborhood Stabilization Program 3 (NSP3) is authorized under Section 1497 of the Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010. NSP3 funds in the amount of \$8,511,111 are available to the State of Florida from the U.S. Department of Housing and Urban Development (HUD). The Florida Department of Economic Opportunity (DEO) is administering the Neighborhood Stabilization funds for the state.

The Substantial Amendment to the State of Florida's Action Plan, dated March 1, 2011, defines a methodology for targeting funds to eight communities (Subgrantees) demonstrating the greatest need. Each Subgrantee must target funds to one or more areas of greatest need (census tracts having a high number of foreclosures or abandoned properties) within its jurisdiction. The communities have the flexibility to define these areas with the State ensuring that its target area(s) are appropriately sized to make a material impact with a grant allocation of \$1,029,844 each.

DEO used Option 2 in the NSP Policy Alert dated December 29, 2010: Guidance on Mapping and Needs Data for State NSP3 Action Plans. A revision to the Substantial Amendment was submitted to HUD on June 30, 2011. The revision included updates to the planned budget for each activity, performance measures for each activity, and a change in Subgrantees since a few of the Subgrantees decline funding. The revision included target areas for each Subgrantee using the HUD NSP3 mapping tool. This was necessary as the State had not yet executed all Subgrantee agreements.

These second revision to the Substantial Amendment dated June 30, 2012 included a change in the name of the agency from Department of Community Affairs (DCA) to Department of Economic Opportunity (DEO), deletion of Activity Number 2 and Activity Number 3 as eligible activities, a change in Subgrantee from Bay County to Panama City and an increase in the minimum dedicated to assisting the NSP Low-Income target population from 25% to 26%.

These revision also allowed four (4) of the Subgrantees to expand or change their target area. Alachua County, realizing the original Area of Greatest Need (AGN) lacked available properties, decided to continue in the same AGN as their successful NSP1. Bay County's target area, previously located in Panama City, changed to two (2) new Areas of Greatest Need (AGN) due to a lack of available properties. Clay County took one of their two original AGN's and expanded it to be a larger AGN. Flagler County added an additional AGN based on a lack of properties available in the original target area.

This third revision allows Alachua County to add an additional AGN to include an area with identified homes along with access to additional properties. Columbia County has requested an expansion of their current AGN in an effort to increase the number of available properties. Flagler County will retain their original AGN but replace the AGN they added in June with an AGN that includes the City of Palm Coast through an interlocal agreement. Panama City is replacing their two target areas with two new ones with impact scores that should help make a noticeable improvement in the neighborhood and offer a larger number of available properties. Putnam County is keeping their original and adding two additional AGNs to increase the availability of suitable properties.

NSP3 funds will be expended to purchase

#### Summary of Distribution and Uses of NSP Funds:

and rehabilitate properties that have been abandoned or foreclosed upon, in order to later sell these properties and homes. The resale price will not exceed the total costs of the acquisition, rehabilitation and delivery costs. It is anticipated that a minimum of 26% of the allocated funding for this activity will be used to assist households earning less than 50% of the area median income.

To the maximum extent possible, DEO is encouraging the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project. These firms will rehabilitate abandoned or foreclosed properties to meet safety, health and code standards before disposition. The expenditure for rehabilitation will be funded directly through NSP3 funds.

NSP3 recipients will have 2 years from the date the award is executed with DEO to expend 50% of these NSP3 funds and a total 3 years to expend an amount equal to the original allocations.

DEO will not allow the acquisition or demolition of any homes that are homeowner or tenant occupied. Proper notification to



ensure compliance with the Uniform Relocation Act is required. Therefore, we do not anticipate any relocation issues at this time. If a relocation need arises, DEO will closely monitor to ensure compliance with the Uniform Relocation Act. DEO will not allow the acquisition or demolition of any homes that are homeowner or tenant occupied.  
DEO is re

**How Fund Use Addresses Market Conditions:**

The Acquisition and Relocation section is changed to allow acquisition of foreclosed homes that are homeowner or tenant occupied. Proper notification will be required to ensure compliance with the Uniform Relocation Act. DEO will continue to not allow the demolition of any homes that are homeowner or tenant occupied.

In developing a methodology, DEO first considered data received from HUD listing the non-entitlement substate allocations for Florida. This information was broken down by Census Places for each non-entitlement county. See Attachment 1: The State of Florida NSP3 Substate Allocations.

To combine the geographical areas into a meaningful dataset to determine NSP3 allocations, it was necessary to use the HUD NSP3 methodology in determining NSP3 direct grantees (<http://www.huduser.org/portal/datasets/3%20Methodology.pdf>):

“If a place gets less than HUD’s established minimum grant threshold of \$1 million, its grant is rolled up into the county grant. If the county grant is less than the minimum grant threshold of \$1 million, its grant is rolled up into the state grant.”

The State of Florida NSP3 substate Allocation data provided by HUD was sorted by County. The column titled “NSP3 suballocation with HUD methodology” was then aggregated for each county. The counties were then sorted from highest to lowest based on the aggregated suballocation data. The datasets are attached to the end of the application. The resulting eight highest ranked communities are shown in Table 1. No incorporated city ranked high enough to be considered in the top eight ranked communities.

Therefore the State considers grants to the counties as the most efficient and effective means of distributing NSP3 grant funds. However, each county’s grant award is inclusive of the needs of the incorporated cities located within their jurisdiction. Subgrantees may partner with or defer to cities, non-profits, or developers for carrying out NSP3 activities.

If one of the communities listed in Table 1 declines funding, the next highest ranked community in Table 2 would be notified.

Table 1 Top Eight Ranked Communities

- 1 Highlands County
- 2 Clay County
- 3 Putnam County
- 4 Flagler County
- 5 Suwannee County
- 6 Columbia County
- 7 Bay County
- 8 Levy County

Table 2 Communities Below the Cutoff

- 9 Okeechobee County
- 10 Jackson County
- 11 Alachua County
- 12 Gadsden County
- 13 Bradford County
- 14 Hendry County
- 15 DeSoto County

All of the proposed Subgrantees listed in Table 1 have received CDBG funding from the Department within recent years. Additionally, two communities (Clay and Bay Counties) are prior NSP1 subgrantees. Site visits to the eight communities accepting funding have been made to verify adequate capacity to carry-out the NSP3 grant. Communities will be allocated 6.8% of their allocation for general administration, which can be used for capacity building and/or procurement of a grant consultant. Funds were offered to all of the counties listed in Table 1. However, Highlands County an Suwannee notified the Department that they did not wish to accept the funds. Therefore, the funds were offered to the next two counties, Okeechobee and Jackson. Jackson County also notified the Department that

**How Fund Use Addresses Market Conditions:**

accept the funds, so Alachua County was offered, and accepted, the funds. Bay County officials requested their allocation be provided directly to Panama City through a contract with the state. The following table reflects the local governments that received funding:

Counties Ranked and Funded

- 1 Highlands County - Declined Funding
- 2 Clay County - Accepted Award
- 3 Putnam County - Accepted Award
- 4 Flagler County - Accepted Award
- 5 Suwannee County - Declined Funding
- 6 Columbia County - Accepted Award
- 7 Panama City - Accepted Award
- 8 Levy County - Accepted Award
- 9 Okeechobee County - Accepted Award
- 10 Jackson County - Declined Funding
- 11 Alachua County - Accepted Award

The State will retain 3.2% (\$272,356) of the total NSP3 state allocation for Statewide Technical Assistance and General Administration. This will leave \$8,238,755 for eight grants in the amount of \$1,029,844 each. A grant size of this amount is appropriate in light of spreading limited grant funds across those communities in greatest need, and being an amount sufficient to make an impact to the hardest hit neighborhoods in those communities. Florida has numerous areas that are in need of NSP3 funding to stem the foreclosure crisis and address blighted structures in the community, but it is important to balance these needs with the practical limitations of oversight capacity and ability to concentrate efforts for maximum impact.

Table 3 lists the current NSP1 subgrantees. For a list of all entitlement and non-entitlement communities receiving NSP3 funding, see Attachment 4: NSP Allocations. HUD directly funded (highlighted) 13 of 24 communities for NSP3. Of the remaining NSP1 communities, only three, Alachua, Bay and Clay Counties, ranked high enough to be funded by the State for NSP3. The other 21 communities did not rank high enough to receive an NSP3 allocation from the State. Please note that HUD’s methodology is inclusive of the needs of the incorporated cities within each county.

Table 3 NSP1 and NSP3 Grantees

Local Government	DCA NSP1 Allocation	DCA NSP3 Allocation	HUD Direct NSP3 Allocation	Total NSP Funds
Alachua County	\$2,929,238	\$1,029,844	\$0	\$3,959,082
Bay County	\$2,523,747	\$1,029,844	\$0	&nbsp;

**How Fund Use Addresses Market Conditions:**

e eight subgrantees listed in Table 3 must target funds in census tracts/block groups with a HUD risk assessment score of above 17 (see Attachment 3: Eligible Census Block Groups). Additionally, target areas must be of an appropriate size so at least 20% of the Real Estate Owned (REO) units in those areas can be addressed. Subgrantees must target funds to one or

more areas of greatest need in its jurisdiction. The subgrantees will have the flexibility to define these areas. The subgrantee is encouraged to consider areas where layering of other community development funds is possible, such as existing NSP1 or CDBG target areas, to maximize impact.

Local governments used the HUD provided mapping tool to identify the areas of greatest need by census tract. The information was then "mapped" out and is attached to this revised amendment.

The Subgrantee was required to submit an application to the State and must demonstrate it can address a minimum of 20% of the real estate owned (REO) units in its target area(s). The application will also included a budget reflecting estimated costs for acquisition, rehabilitation, administration, performance measures for each activity and a final list of the subgrantees target areas.

**How Fund Use Addresses Market Conditions:**

sp;	\$3,553,591				
Bradenton	\$2,576,267	\$0	\$0		\$2,576,267
Charlotte County	\$4,287,057	\$0	\$2,022,962		\$6,310,019
Citrus County	\$2,994,625	\$0	\$1,005,084		\$3,999,709
Clay County	\$3,638,523	\$1,029,844	\$0	&nbsp;ns;&nbsp;	\$4,668,367
Davie	\$2,316,292	\$0	\$1,171,166		\$3,487,458
Daytona Beach	\$2,557,634	\$0	&ap;apnspsam;bs;&		

**How Fund Use Addresses Market Conditions:**

bsp;	\$1,127,616	\$3,685,250			
Delray Beach	\$1,905,005	\$0			\$1,905,005
Ft. Pierce	\$2,085,396	\$0	\$0		\$2,085,396
Hernando County	\$5,644,384	\$0	\$1,953,975		\$7,598,359
Indian River County	&;am;nbs; \$4,680,825	\$0	\$1,500,428		\$6,181,253
Martin County	\$3,537,463	\$0	\$1,563,770		\$5,101,233
Melbourne	&nbs;ampp;b&nbsp;ambsp				

**How Fund Use Addresses Market Conditions:**

	\$1,920,191	\$0	\$1,257,986	\$3,178,177	
Miami Beach	\$9,305,268	\$0	\$1,475,088		\$10,780,356
Ocala	\$805,508	\$0	\$0		\$805,508
Okaloosa County	\$3,258,435	\$0	p;nbp;&nbsp;	\$0	\$3,258,435
Osceola County	\$14,091,818	\$0	\$3,239,646		\$17,331,464
Palm Coast	\$2,664,903	\$0	amp;bs;&a;mp;nsp&n		

**How Fund Use Addresses Market Conditions:**

sp;	\$1,375,071	\$4,039,974			
Santa Rosa County	\$2,365,403	\$0	\$0		\$2,365,403
St. Johns County	\$2,489,443	\$0	\$0		\$2,489,443
St. Lucie County	\$3,984,601	\$0	\$1,947,657	ns;nbsp;&nbsp;	\$5,932,258
Tallahassee	\$3,365,670	\$0	\$0		\$3,365,670
Titusville	\$2,113,781	\$0	\$1,005,731	&ap;nbspap;p;b;&m	

**How Fund Use Addresses Market Conditions:**

;nbs;	\$3,119,512				
Total	\$88,041,477	\$3,089,532	\$20,646,180		\$111,777,189
Target Areas					

The eight subgrantees listed in Table 3 must target funds in census tracts/block groups with a HUD risk assessment score of above 17 (see Attachment 3: Eligible Census Block Groups). Additionally,arget areas must be of an appropriate size so at least 20% of the Real Estate Owned (REO) units in those areas can addressed. Subgrantees must target funds to one or more areas of greatest need in its jurisdiction. The subgrantees will have the flexibility to define these areas. The subgrantee is encouraged to consider areas where layering of other community development funds is possible, such as existing NSP1 or CDBG target areas, to maximize impact.

Local governments used the HUD provided mapping tool to identify the areas of greatest need by census tract. The information was then "mapped" out and is attached to this revised amendment.

The Subgrantee was required to submit an application to the State and must demonstrate it can address a minimum of 20% of the real estate owned (REO) units in its target area(s). The application will also included a budget reflecting estimated costs for acquisition, rehabilitation, administration, performance measures for eachactivity and a final list of the subgrantees targetareas.

NSP3 activities can only take place in census tracts/block groups with a minimum risk assessment score of "17" or above. A revision of the Substantial Amendment containing actual target areas was submitted to HUD on June 30, 2011. A list of the eligible census tracts/block groups are attached for each of the eight Subgrantees. This second revision of the Substantial Amendment allowed for the replacement of the target areas for Alachua County and Panama City (previously Bay County), an expansion of the target area for Clay County and the addition of a second target area for Flagler County.

This third revision allows Alachua County to add an additional AGN to include an area with identified homes along with access to additional properties. Columbia County has requested an expansion of their current AGN in an effort to increase the number of available properties. Flagler County will retain their original AGN but replace the AGN they added in June with an AGN that includes the City of Palm Coast through an interlocal agreement. Panama City is replacing their two target areas with two new ones with impact scores that should help make a noticeable improvement in the neighborhood and offer a larger number of available properties. Putnam County is keeping their original AGN and adding two additional AGNs to increase the availability of suitable properties.

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**Ensuring Continued Affordability:**

DEO shall ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties under NSP3 remain affordable to individuals or families whose incomes do not exceed 120 percent of area median income or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) of the Housing and Economic Recovery Act of 2008 (HERA), remain affordable to individuals and families whose incomes do not exceed 50 percent of area median income.

DEO will ensure long-term affordability by requiring that all NSP3 subgrantees have a mechanism in place to ensure continued affordability. Such mechanism may include deed restrictions, soft-second mortgages (0% interest rate liens), or land-use restrictions. The periods of affordability for NSP3-assisted homebuyer projects must meet or exceed the minimum affordability

requirements established in 24 CFR 92.252(e) and 24 CFR 92.254(a)(4) for the HOME Investment Partnerships Program as specified below, beginning after project completion.

The periods of affordability applicable to NSP3 homebuyer projects are as follows.

Under \$15,000 - 5 years

Between \$15,000 to \$40,000 - 10 years

Over \$40,000 - 15 years

New Housing Construction - 20 years

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

**Definition of Blighted Structure:**

The State uses the October 6, 2008 definition found in the NSP1 regulation (73 FR 58330): "A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

**Definition of Affordable Rents:**

"Affordable rents" is defined as the Fair Market Rents (FMR) as published annually by HUD for the subgrantees, except that the HOME standards at 24 CFR 92.252(a), (c), (e) and (f) and 92.254 may be applied if needed to meet the 50% AMI percentage commitment. Affordable rents will be further defined to not exceed 30% of gross income.

**Housing Rehabilitation/New Construction Standards:**

Housing rehabilitation standards in NSP3 will be in accordance with the following:

- a. Housing that is constructed or rehabilitated with NSP3 funds must meet all applicable local codes, rehabilitation standards, and zoning ordinances, at the time of project completion. The participating jurisdiction must have written standards for rehabilitation that ensure that NSP-assisted housing is decent, safe, and sanitary. In the absence of a local code for new construction or rehabilitation, NSP3-assisted new construction or rehabilitation must meet the Florida Building Code, based on the International Building Code. Newly constructed housing must meet the Florida Energy Efficiency Code for Building Construction. Florida shall encourage all housing construction to incorporate modern, green building and energy-efficiency improvements in all NSP3 activities to provide for long-term affordability and increased sustainability and attractiveness of housing and neighborhoods.
- b. The housing must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).
- c. Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt state and local codes covering the same aspects of performance for such housing. Participating jurisdictions providing NSP assistance to install manufactured housing units must comply with applicable state and local laws or codes. In the absence of such laws or codes, the participating NSP3 jurisdiction must comply with the manufacturer's written instructions for installation of manufactured housing units. Manufactured housing that is rehabilitated using NSP funds must meet the requirements set out in paragraph a of this section.

**Vicinity Hiring:**

To the maximum extent possible, DEO is encouraging the hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project. These firms will rehabilitate abandoned or foreclosed properties to meet safety, health and code standards before disposition. The expenditure for rehabilitation will be funded directly through NSP3 funds.

**Procedures for Preferences for Affordable Rental Dev.:**

Affordable Rental Preference

The Dodd-Frank Act includes statutory language to "establish procedures to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds." DEO is demonstrating this rental preference by requiring that all Subgrantees dedicate a minimum of 50 percent of the grant funds for rental housing. No less than 26 percent will be set-aside for rental housing for households earning no more than 50 percent of the Area Median Income (AMI), as published by HUD. Additionally, another 25 percent of grant funds will be dedicated for households earning no more than 120 percent of the AMI. DEO shall make no exceptions on the minimum for rental set-aside funds. Subgrantees are encouraged to exceed the minimum set-aside requirement.

**Grantee Contact Information:**

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<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	\$0.00	\$9,155,592.11
<b>Total Budget</b>	\$0.00	\$9,155,592.11
<b>Total Obligated</b>	\$0.00	\$9,155,592.11
<b>Total Funds Drawdown</b>	\$0.00	\$9,060,453.19
<b>Program Funds Drawdown</b>	\$0.00	\$8,452,833.56
<b>Program Income Drawdown</b>	\$0.00	\$607,619.63



<b>Program Income Received</b>	\$0.00	\$854,574.70
<b>Total Funds Expended</b>	\$0.00	\$9,041,980.20
<b>HUD Identified Most Impacted and Distressed</b>	\$0.00	\$0.00
<b>Other Funds</b>	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

### Funds Expended

<b>Overall</b>	<b>This Period</b>	<b>To Date</b>
Alachua County <sup>1</sup>	\$ 0.00	\$ 1,175,953.99
Putnam County	\$ 0.00	\$ 1,029,844.00
Bay County <sup>2</sup>	\$ 0.00	\$ 683,204.00
Clay County	\$ 0.00	\$ 1,096,728.06
Columbia County	\$ 0.00	\$ 1,029,844.00
Flagler County <sup>2</sup>	\$ 0.00	\$ 1,143,543.10
Florida Department of Community Affairs	\$ 0.00	\$ 272,359.00
Levy County	\$ 0.00	\$ 1,029,844.00
Okeechobee County	\$ 0.00	\$ 1,178,163.87
Panama City	\$ 0.00	\$ 402,496.18

### Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Target</b>	<b>Projected</b>	<b>Actual</b>
<b>Overall Benefit Percentage</b>	99.99%	.00%	.00%
<b>Minimum Non Federal Match</b>	\$ .00	\$ .00	\$ .00
<b>Overall Benefit Amount</b>	\$951,015,988.89	\$ .00	\$ .00
<b>Limit on Public Services</b>	\$1,276,666.65	\$ .00	\$ .00
<b>Limit on Admin/Planning</b>	\$851,111.10	\$810,886.93	\$ .00
<b>Limit on Admin</b>	\$ .00	\$810,886.93	\$ .00
<b>Most Impacted and Distressed</b>	\$ .00	\$ .00	\$ .00
<b>Progress towards LH25 Requirement</b>	\$2,377,777.75		\$3,188,701.18

### Overall Progress Narrative:

Clean up for grant closeout.

### Project Summary

<b>Project #, Project Title</b>		<b>This Report</b>	<b>To Date</b>	
		<b>Program Funds Drawdown</b>	<b>Project Funds Budgeted</b>	<b>Program Funds Drawdown</b>
NSP3 #1 LH25, Rental - Set Aside	Eligible Use A	\$0.00	\$3,224,800.37	\$3,044,785.01
NSP3 #1 LMMI, Resale/Rental	Eligible Use A & B	\$0.00	\$5,223,184.66	\$4,650,867.00
NSP3 LA, Local Admin		\$0.00	\$550,652.37	\$484,822.55
NSP3 State Administration, State Administration		\$0.00	\$272,359.00	\$272,359.00

### Monitoring, Audit, and Technical Assistance

<b>Event Type</b>	<b>This Report Period</b>	<b>To Date</b>
Monitoring, Audits, and Technical Assistance	0	21
Monitoring Visits	0	21



Audit Visits	0	0
Technical Assistance Visits	0	0
Monitoring/Technical Assistance Visits	0	0
Report/Letter Issued	0	21

