

# Grantee: Deltona, FL

## Grant: B-11-MN-12-0006

### January 1, 2021 thru March 31, 2021 Performance

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<b>Grant Number:</b> B-11-MN-12-0006	<b>Obligation Date:</b>	<b>Award Date:</b>
<b>Grantee Name:</b> Deltona, FL	<b>Contract End Date:</b> 03/10/2014	<b>Review by HUD:</b> Reviewed and Approved
<b>Grant Award Amount:</b> \$1,964,066.00	<b>Grant Status:</b> Active	<b>QPR Contact:</b> No QPR Contact Found
<b>LOCCS Authorized Amount:</b> \$1,964,066.00	<b>Estimated PI/RL Funds:</b> \$905,694.81	
<b>Total Budget:</b> \$2,869,760.81		

## Disasters:

### Declaration Number

No Disasters Found

## Narratives

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

INTRODUCTION In 2010 the City was awarded \$1,964,066 under the third cycle of the Neighborhood Stabilization Program (NSP 3). Through the NSP 1, the City has gained a body of knowledge to effectively and efficiently implement the NSP 3 program. Under NSP 1, the City acquired 53 properties. Four properties were assigned to a non-profit entity through a sub-recipient agreement. The remaining 49 properties, which consist of single family dwellings, have been or are being renovated. At the time of the formulation of this "management plan," two houses are under contract for purchase by qualified buyers. The NSP 3 management plan will reflect the experience derived by the City through the NSP 1 process. The use of the Neighborhood Stabilization Program 3 (NSP 3) grant is a substantial amendment to the City of Deltona's Five-Year 2008-2012 Consolidated Plan and One-Year 2010 Action Plan. The NSP 3 is a special Community Development Block Grant (CDBG) allocation intended to address the problems of abandoned and foreclosed homes. Treating the NSP 3 management plan as a substantial amendment will expedite the distribution of NSP 3 funds, while ensuring citizen participation on the specific use of the funds. THE NSP SUBSTANTIAL AMENDMENT TO THE CONSOLIDATED PLAN 2008-2010 & 2010 ANNUAL ACTION PLAN A. AREAS OF GREATEST NEED The areas of greatest need were determined by using HUD NSP 3 mapping and planning data. To have the greatest impact, it is the intent that all of the \$1,964,066.00 NSP 3 grant will be allocated within the target area which will be considered the area of greatest need. The area of greatest need can be approximated as Census Tract 091006, Blocks 5 and 2. A copy of the HUD mapping tool report is attached to this plan. 19.5% of the homes within the target area are delinquent or within foreclosure. 34.4% of the homes within the target area are financed with subprime type mortgage instruments. Based on the above data, home foreclosure activity within the target area is anticipated to continue to rise. The NSP 3 area of greatest need was determined by utilizing the mapping tool and related planning data including the foreclosure index scores based on eligible NSP 3 area. A model for predicting where foreclosures are likely to occur was developed by HUD. This model estimates serious delinquency rates based on the events likely to cause foreclosures, such as a prevalence of subprime loans, increasing unemployment, vacant addresses, and the number of foreclosures in process. The area identified by the City as being the area of greatest need must have an individual or average combined index score for the identified target area of not less than 17. The NSP 3 target area for the City has a foreclosure index score of 20. The NSP3 target area also has the following attributes: Total housing units 1687 Percent of persons less than 120% AMI 70.22% Percent of persons less than 80% AMI 48.28% According to the HUD mapping tool, the number of properties needed to make an impact within the City's determined area of greatest need is 26. The City has estimated that the NSP 3 grant allocated to the City will be enough to purchase and rehabilitate 15 homes. To increase impact, the NSP 3 area of greatest need will be targeted for the reinvestment of City of Deltona NSP 1 program income. Also, the City ha

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

s already bought and rehabilitated a home in the proposed area of greatest need through the NSP 1 activity and the City, in the last year, has also provided assistance (owner occupied rehabilitation) to two homeowners within the area of greatest need through the State of Florida allocated SHIP program. These actions, existing and proposed, will help accomplish NSP 3 goals within the proposed area of greatest need. The City of Deltona is a suburban community that is dominated by detached single famil

### How Fund Use Addresses Market Conditions:

#### (5) Addressing Local Market Conditions:

The current real estate market within the City is rife with foreclosure activity, short sales and deeply discounted homes. For the last three years property values have dropped significantly. Another 10 to 12% drop in property values are forecasted, which portends further challenges for the local real estate market. NSP 3 purchase and rehabilitation activity will help improve housing stock within not only the target area but for the entire City. In addition, encouraging home ownership will promote investment in the target area. The result will be more viable neighborhoods and community.



### **Ensuring Continued Affordability:**

(8) Tenure of Beneficiaries:

The no interest deferred forgivable loans shall immediately become due and payable to the City if any of the following occurs:

1. Homeowner sells, transfers, or disposes of the property by any means, including bankruptcy, foreclosure, or deed in lieu of foreclosure;
2. Homeowner no longer occupies the unit as their principal residence;
3. Homeowner dies, or if a married couple, survivor dies; or
4. Homeowner refinances their first mortgage or requires subordination for a new second mortgage.
5. However, an heir may assume the debt as long as they are income eligible and become the owner-occupant.

(9) Housing Production – Continued Affordability:

Homeownership loans will be secured with a 2nd mortgage for a term of up to 15 years.

### **Definition of Blighted Structure:**

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

A structure is blighted when it exhibits objectively determinable signs of deterioration and/or unsound structural condition sufficient to constitute a threat to human health, safety, and public welfare.

### **Definition of Affordable Rents:**

(2) Definition of “affordable rents.”

The rent limits used in the NSP are updated annually from the Department of Housing and Urban Development. Affordable means that monthly rents do not exceed 30 percent of that amount which represents the percentage of the median annual gross income for the households as indicated in or less of total household income.

### **Housing Rehabilitation/New Construction Standards:**

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

Housing rehabilitation standards will comply with all applicable laws, codes, and other requirements relating to housing safety, quality and habitability, as defined in the 2007 Florida Building Code with 2009 supplements and other applicable regulations. In addition, as deemed feasible, the City will make improvements to increase the energy efficiency of such homes by providing upgraded, energy star rated appliances and higher SEER HVAC systems. As appropriate, the City will comply with the following HUD Applicable Housing Rehabilitation Standards:

All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may not include changes to structural elements such as flooring systems, columns or load bearing interior and exterior walls) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.

All gut rehabilitation or new construction of mid or high rise multifamily units must be designed to meet all American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is Energy Star standard for multi-family buildings piloted by EPA and Department of Energy).

Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g. replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.

Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).

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

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5) City property management obligations including the expectations of City staff; and

6) The establishment of a new or use of an existing housing authority or similar entity that would address leasing, maintenance, eviction actions, and other management obligations.

### **Vicinity Hiring:**

#### **VII. VICINITY HIRING**

The City has established an NSP 3 target area consisting of over 5,700 acres located in the southwestern section of the City. The City has hired several contractors from the surrounding areas and these contractors do employ City of Deltona residents. However, currently none of these individuals appear to live within the NSP target area. In an attempt to facilitate “vicinity hiring” the City will inform all contractors formally by letter to encourage hiring those that live within the NSP 3 target area. Such correspondences will be sent to contractors on an annual basis for the life of the program.

The City will utilize the City web page with the intent of reaching people that live within the NSP 3 area that may be interested in rehabilitation/construction type of employment. The City will provide contact information of the City hired construction contractor companies that may be interested in hiring for such work.

Finally, the City contractors rely on subcontractors. The City will obtain a list of all commonly used subcontractors from contractors and encourage them, in writing, to hire individuals that live in the NSP 3 area.

Annually, the City will survey contractors and common subcontractors to determine the amount of “vicinity hiring.”

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

(11) Affordable Rental Housing Preferences:

1) Rental/Lease Properties

Funds may not be used for a “monthly rental subsidy.” NSP funded rental/lease activity will be restricted to the purchase and rehabilitation of a unit that could be designated as a rental property. Lease agreements will be in compliance with HOME rent limits for a term of one (1) year.

One year rental assistance could be provided to applicants that are enrolled in school full or part time to an accredited college and will complete said degree or certification to allow self-sufficiency at the end of the term of the lease OR the applicant is enrolled in a credit repair program and will be credit-ready at the end of the term of the lease for homeownership opportunities. Rental properties may be leased with an option to buy.

2) Rental Rates

The City of Deltona will ensure continued affordability for NSP assisted housing by adopting the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254.

The maximum HOME rent limits are the lesser of:

1. The fair market rent for existing housing for comparable units in the area as established by HUD.

2. A rent does not exceed 30% of the adjusted income of family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the units. The HOME rent limits provided



by HUD will include average occupancy per unit and adjusted income assumptions.

**VI. RENTAL OPTIONS**

The City of Deltona is primarily a residential community that is developed at a suburban scale – detached dwellings on individual lots. The Deltona suburban paradigm is founded on a principal of owner occupied home ownership. Currently there are 33,682 dwelling units within the City. According to recent tax role data, about 70% of those dwelling units are owner occupied. There are benefits of a community having a certain percentage of housing stock being available for rentals. Home ownership is not for all people because of a variety of circumstances but the City currently has a healthy ratio of owner occupied to rental housing stock.

While there have been strategies illustrated throughout this plan that address rental options including lease/purchase arrangements, it is currently the intent of the City to rehabilitate and resell properties to accomplish NSP goals. Planning literature is rife with studies and related information that indicates owner occupied home ownership is a key ingredient to maintaining and promoting viable neighborhoods and communities. Therefore, in an attempt to maintain the viability of Deltona, a City comprised of mostly owner occupied homes, the City would prefer that NSP houses become and remain inhabited by owner-occupants. In addition, the City housing programs are not currently structured to effectively administer a rental program for NSP homes.

However, if the City determines that rental/lease options may be a viable method of which to implement NSP objectives, the City will first conduct a study to determine feasibility. Such a study will address, at minimum, the following topics:

- 1) The current rental market;
- 2) Rental income expected in relation to the rental market and HUD rental provisions;
- 3) A tenet vetting process and lease terms;
- 4) Lease/purchase standards

**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	\$2,605,274.21
<b>Total Budget</b>	\$0.00	\$2,605,274.21
<b>Total Obligated</b>	\$0.00	\$2,605,274.21
<b>Total Funds Drawdown</b>	\$0.00	\$2,605,274.21
<b>Program Funds Drawdown</b>	\$0.00	\$1,791,556.22
<b>Program Income Drawdown</b>	\$0.00	\$813,717.99
<b>Program Income Received</b>	\$0.00	\$906,503.65
<b>Total Funds Expended</b>	\$0.00	\$2,605,274.21
<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>
City of Deltona2	\$ 0.00	\$ 2,605,274.21

**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>	\$2,582,527.04	\$.00	\$.00



<b>Limit on Public Services</b>	\$294,609.90	\$ .00	\$ .00
<b>Limit on Admin/Planning</b>	\$196,406.60	\$286,975.49	\$286,975.49
<b>Limit on Admin</b>	\$ .00	\$286,975.49	\$286,975.49
<b>Most Impacted and Distressed</b>	\$ .00	\$ .00	\$ .00
<b>Progress towards LH25 Requirement</b>	\$717,440.20		\$1,096,072.83

## Overall Progress Narrative:

All NSP3 properties have been sold and staff will complete close out of the NSP in 3rd quarter of the 2021 year.

## Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1.0, Acquisition/Rehab/Financing	\$0.00	\$2,318,298.72	\$1,628,701.92
2.0, Administration	\$0.00	\$286,975.49	\$162,854.30

