

PROJECTED

NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): <u>City of Lauderhill</u> <i>(identify lead entity in case of joint agreements)</i>	NSP Contact Person: Jane Sullivan Address: 3800 Inverrary Blvd; Suite 306; Lauderhill, Florida 33319 Telephone: 954-730-3000 Fax: 954-730-3025 Email: jsullivan@lauderhill-fl.gov
Jurisdiction Web Address: www.lauderhill-fl.gov <ul style="list-style-type: none">• <i>(URL where NSP Substantial Amendment materials are posted)</i>	

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.

Response:

The City of Lauderhill, centrally located within Broward County, includes 8.3 square miles of land with a population of 69,693 living in 25,667 residential properties. The City of Lauderhill spans 12 census tracts of which 11¹ meet HUD's LMMI requirements for individuals and families whose incomes do not exceed 120 percent of area median income. The City of has identified the 11 census tract as the areas of greatest need as named in the Summary Needs Data below: 1) number and percentage of foreclosed homes; 2) number and percentage of subprime loans; and 3) risk factor criteria provided by HUD on attached map.

¹ Federal Financial Institutions Examination Council (www.FFIEC.gov)

Summary Needs Data

Census Tract #	Number of Foreclosures	Foreclosure Rate	Total # Loans	Total # Subprime Loans	Subprime Rate
412	81	13.6	335	197	58.8%
413	255	14.1	1014	632	62.3%
601.1	392	11.3	1953	884	45.3%
601.14	281	10.1	1566	608	38.8%
603.1	241	11.1	1220	539	44.2%
603.2	247	14.7	942	602	63.9%
603.3	156	15	583	381	65.4%
603.4	117	15.2	433	286	66.1%
604.1	213	13.2	907	500	55.1%
604.2	251	15	939	616	65.6%
604.3	121	13.2	515	288	55.9%

The City of Lauderdale utilized the following data sources:

- HUD NSP HUD User website²
- DataPlace³
- FFIEC¹

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.

Response:

Based upon the Cities analysis provided in Section A, the 11 census tracts meet all three stipulated need categories. All funds will be used to assist individuals and families earning no greater than 120% AMI with a minimum of 25% of the funds being used to assist individuals and families earning no greater than 50% AMI. All activities will meet the HUD Low and Moderate Income benefit objective as redefined by HUD for the NSP up to 120% AMI

² HUD NSP (www.huduser.org/publications/commdevl/nsp.html)

³ Dataplace (www.dataplace.org)

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

In context of local law, the City of Lauderhill law does not define the term “blighted structure.” For the purposes of the NSP program, any building that meets the City of Lauderhill’s definition of “Unsafe Structures” will qualify as a blighted structure. Local law defines an “Unsafe Structure” as follows:

“Buildings or structures that are unsafe, unsanitary or deficient in adequate facilities for means of egress, or which constitute a fire or windstorm hazard, or illegal or improper use, occupancy or maintenance, or which do not comply with the provisions of the minimum housing standards, or which have been substantially damaged by the elements, acts of God, fire, explosion or otherwise, shall be deemed unsafe buildings and a permit shall be obtained to demolish the structure or bring the building to comply with the applicable codes.”

This definition falls within the HUD definition of “blighted structure,” which is as follows:

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

(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

Rents that do not exceed 30% of gross household for families earning 50% AMI as determined by HUD with adjustments for number of bedrooms in the unit as more particularly described in 24 CFR Part 92.252.b.1.

The maximum Affordable Rents shall not exceed the Fair Market Rents (FMR) as published annually by the U.S. Department of Housing and Urban Development for the Fort Lauderdale, FL Metropolitan Statistical Area (MSA). The Proposed FY 2009 FMR rents are listed below:

	Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
FMR	\$977	\$1,092	\$1,313	\$1,816	\$2,306

Source: U.S. Department of Housing and Urban Development, 2009

The County will review and approve the rents charged on an annual basis.

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

Response:

The City of Lauderhill will utilize the affordability requirements of the HOME program for prescribing the periods of continued affordability for NSP assisted activities.

Homeownership Programs:

Subsidy/Assistance Amount	Period of Affordability
<\$15,000	5 years
\$15,000-\$40,000	10 years
\$40,000+	15 years

Rental Programs:

Subsidy/Assistance Amount	Period of Affordability
<\$15,000/unit	5 years
\$15,000-\$40,000/unit	10 years
\$40,000+ /unit	15 years
New construction	20 years

For both rental and homeownership programs utilizing NSP funds, the City of Lauderhill will utilize mortgages and restrictive covenants to ensure continued affordability of NSP assisted housing. Any funds recaptured from NSP activities will be administered consistent with the requirements of HERA.

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

Response:

All housing rehabilitation activities assisted by NSP funds will meet federal Housing Quality Standards guidelines and City of Lauderhill building codes.

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: \$ 1,073,322 .

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 of Lauderhill will expend 25% of the total grant amount under the NSP 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 (AMI) for Broward County is \$64,000. A family of four with an income equal to 50% of AMI earns \$35,600 per year.

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:

As part of the acquisition process of foreclosed homes, if the cost to rehabilitate the unit is greater than fifty percent (50%) of the acquisition price, and/or the cost of acquisition and rehabilitation exceeds one hundred percent (100%) loan-to-value, the City will evaluate the property to determine if demolition is an option. If demolition is economically feasible, the City will use NSP Funds and/or other County affordable housing funds to construct a new unit.

F. PUBLIC COMMENT

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

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.

Response:

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

(1) Activity Name: Administration / Planning

(2) Activity Type:

(1) NSP eligible use: plan and administer activities under Lauderhill's Neighborhood Stabilization Program.

(2) CDBG eligible activity: program administrative activities eligible under 24 CFR 570.206.

(3) National Objective: benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income.

(4) Activity Description:

Program Administration will be used for the reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include (but are not limited to) salaries, wages, and related costs of staff engaged in program administration, which includes (but is not limited to) providing information about the program, preparing program budget and schedules, preparing reports, and other costs for goods or services needed for administration of the program

(5) Location Description: N/A

(6) Performance Measures Compliance with eligible use for Administration and Planning defined in 24 CFR 570.205 and 206.

(7) Total Budget: \$429,328 (10% of City of Lauderhill's NSP Allocation \$4,293,288)

(8) Responsible Organization: City of Lauderhill; 3800 Inverrary Boulevard; Suite 306; Lauderhill, FL 33319; Jane Sullivan, 954-730-3000; email: jsullivan@lauderhill-fl.gov

(9) Projected Start Date: September 29, 2008

(10) Projected End Date: February 28, 2013

(11) Specific Activity Requirements:

NSP funds will be used to pay reasonable program administration costs related to the planning and execution of the activities listed above. This includes costs related to staffing for overall program management, coordination, monitoring, reporting, and direct and indirect charges. Planning costs include development fees and other soft/project related costs that are fair and reasonable as part of the acquisition and rehabilitation process.

(1) Activity Name: Acquisition; Rehabilitation, Redevelopment and Resale

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

CDBG eligible activity: 24 CFR 570.201(a) Acquisition (b) Disposition, (i) Relocation (n) (Direct homeownership assistance) and 24 CFR 570.202 (Rehabilitation and preservation activities for homes and other residential properties)

(3) National Objective: benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income

(4) Activity Description:

The City will work with lenders to acquire homes that have been foreclosed, vacant for at least 90 days, and are on the lender's or investor's current inventory. The homes will be purchased from banks at a discount of at least 5% (less than the current market appraised value) for individual properties and 15% for bulk or aggregate purchases of property.

Redevelopment of vacant and foreclosed properties will be by private developers or by a City of Lauderhill-affiliated entity such as the Redevelopment Authority or the Housing Authority for sale for affordable homeownership. In regard to private developers, the City will issue a "Request for Qualifications" to solicit proposals from developers with a proven track record of acquiring, redeveloping and marketing single family homes for homeownership. Single family and multifamily housing units assisted under this activity will have a recorded mortgage and Land Use Restriction Agreement on the properties.

Program income received from the sale or rental of assisted units will be recycled for eligible NSP activities. The City will allow and pay for development fees and other soft/project related costs that are fair and reasonable as part of the acquisition and rehabilitation process. If an abandoned or foreclosed-upon home or residential property is to be sold to an individual as a primary residence, no profit may be earned on such sale.

Each homebuyer will receive at least 8 hours of homebuyer counseling under the program through the City's network of local home buying counseling agencies.

(5) Location Description: This activity will be carried out in the target areas as referenced in Section A – Areas of Greatest Need. After analysis within the target area, specific properties will be evaluated. Factors may include elements such as block location, amount of rehabilitation, ownership, and other criteria affecting costs.

(6) Performance Measures e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

(7) Total Budget: \$3,863,906

(8) Responsible Organization: City of Lauderdale; 3800 Inverrary Boulevard; Suite 306; Lauderdale, FL 33319; Jane Sullivan, 954-730-3000; email: jsullivan@lauderdale-fl.gov

(9) Projected Start Date: March 1, 2009

(10) Projected End Date: February 28, 2013

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

For housing related activities, include:

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Acquisition

The homes will be purchased from banks at a discount of at least 5% (less than the current market appraised value) for individual properties and 15% for bulk or aggregate purchases of property.

Housing Activities

The NSP program will rehabilitate or redevelop both single family and multi-family residential properties. Costs of the rehabilitation can include labor, materials, supplies, permits, lead paint assessment, abatement and clearance, barrier removal, energy efficient measures asbestos removal and program delivery. Rehabilitation projects involving one or more units in a multi-unit building owned as a condominium, will be limited to the particular unit(s) and will not involve rehabilitation of portions of the property that are held in common ownership.

Housing units acquired through the use of NSP funds will require rehabilitation in most cases. The City will provide NSP funds for housing rehabilitation to bring the housing units up to the City's Minimum Housing Code. If the cost to rehabilitate the unit is greater than fifty percent (50%) of the acquisition price, and/or the cost of acquisition and rehabilitation exceeds one hundred percent (100%) loan-to-value, the City will pay for the evaluation the property to determine if demolition is an option.

The City may provide other incentives for Housing Partners to assist special needs populations, which may include the homeless, disabled, victims of domestic violence, and others.

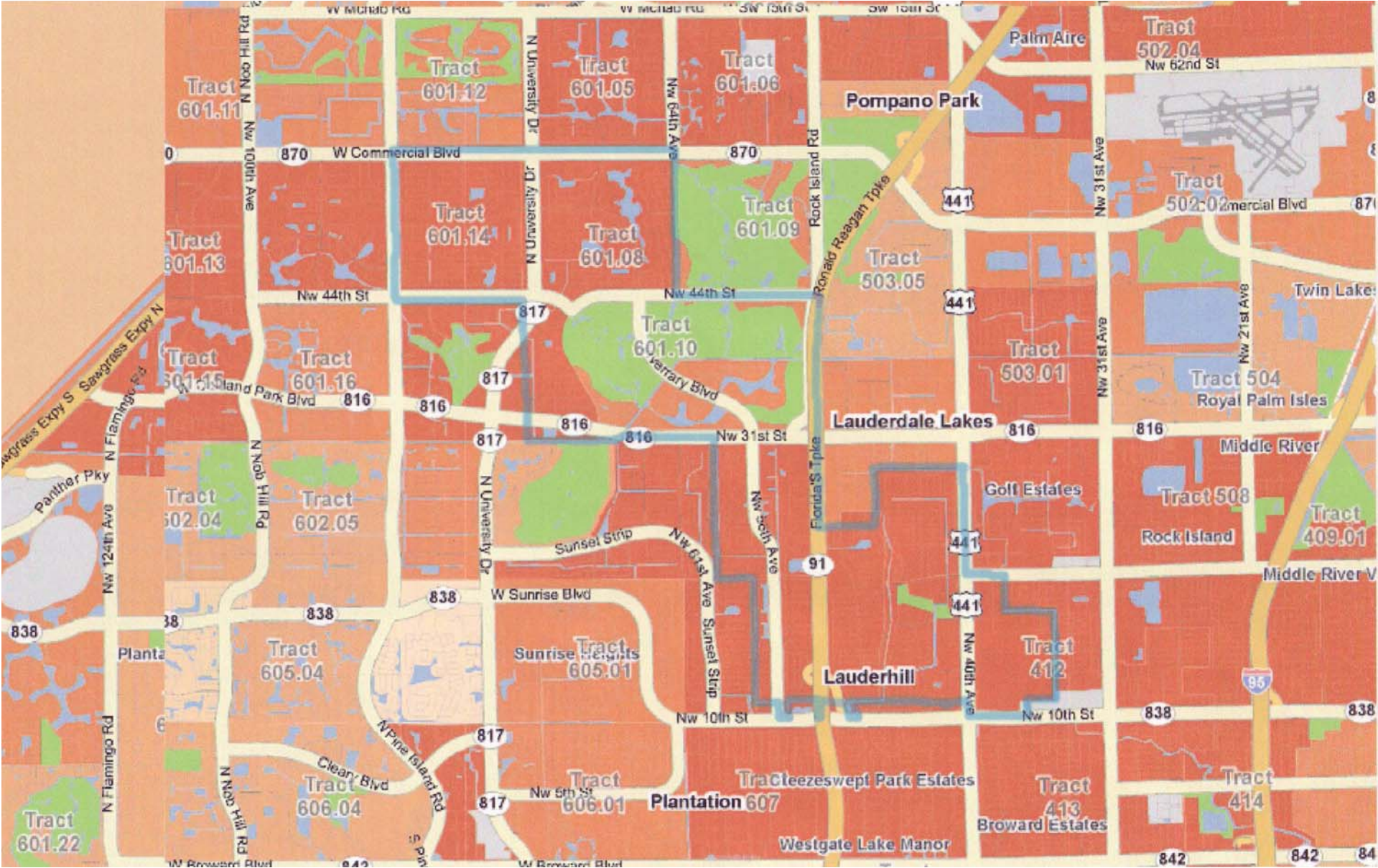
The City will provide incentives for improving energy efficiency, conservation, or providing renewable energy source(s). These types of features will provide for long-term affordability and increased sustainability.

The City will allow and pay for development fees that are fair and reasonable as part of the acquisition and rehabilitation process.

For both rental and homeownership programs utilizing NSP funds, the City of Lauderhill will utilize mortgages and restrictive covenants to ensure continued affordability of NSP assisted housing.

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Estimated Foreclosure Abandonment Risk Score Lauderhill, FL



US Census Tracts Risk Score 10 9-8 7-6 5-4 3-2 1 0