

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): Collier County	NSP Contact Person: Marcy Krumbine
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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.

Narrative Response:

Collier County is an economically diverse community, with areas of affluence in the coastal communities as well as extreme poverty in other locations. The County is geographically large, encompassing approximately 2,025 square miles. Collier County, with an estimated population of 339,000, is located on the southern gulf coast of the Florida peninsula, due west of Miami-Ft. Lauderdale. The largest of the three incorporated cities in Collier County is Naples, which is located in the western and coastal area. The remaining two incorporated cities of Collier County are Everglades City and the City of Marco Island. Everglades City is located south and east of Naples, while the City of Marco Island lies south of Naples along the Gulf of Mexico.

Collier County used the U.S. Department of Housing and Urban Development's (HUD) average foreclosure index score in identifying the target geographies for assistance in the redevelopment of abandoned and foreclosed homes. The destabilization of neighborhoods in Collier County is pervasive, affecting nearly all areas for the County. As such, any efforts to stabilize the local housing market and revitalize the community must be Countywide.

Areas at Risk

The table on the following page summarizes the average foreclosure index score for eligible census tracts in Collier County. To be considered eligible for assistance an area must be assigned a *Max Index Score* of nineteen (19) or twenty (20).

Census Tract	Foreclosure Needs Index Score	Vacancy Risk Index Score	Max Index Score
0104.06	20	12	20
0104.08	19	16	19
0104.01	19	16	19
0102.03	19	19	19
0105.03	20	18	20
0105.04	20	19	20
0106.02	19	15	19
0106.01	19	19	19
0106.04	19	15	19
0106.03	20	16	20
0105.02	20	17	20
0108.01	19	18	19
0107.02	19	14	19
0108.02	20	8	20
0104.11	20	15	20
0104.09	20	18	20
0104.10	20	19	20
0104.14	20	1	20
0104.13	20	1	20
0108.03	19	1	19
0111.01	20	1	20
0109.01	20	18	20
0109.03	20	12	20
0104.12	20	1	20
0112.04	20	17	20
0113.00	20	9	20
0112.02	20	1	20
0114.00	20	13	20
0104.07	20	1	20
0104.05	20	16	20
0102.02	20	1	20
0003.01	18	18	18
0102.04	20	16	20
0101.04	20	7	20
0101.03	20	1	20
Average Max Index Score			19.69
Qualified			

Identified Program Target Areas

The Collier County NSP Allocation will target the following three (3) areas for economic and housing redevelopment: East Collier, South Collier and Central Collier. The following tables further define the target areas to include eligible census tracts within each of the three (3) target areas.

EAST COLLIER TARGET AREA

Census Tract	Foreclosure Needs Index Score	Vacancy Risk Index Score	Max Index Score
0104.14	20	1	20
0104.13	20	1	20
0104.12	20	1	20
0112.02	20	1	20
Average Max Index Score			20.00

SOUTH COLLIER TARGET AREA

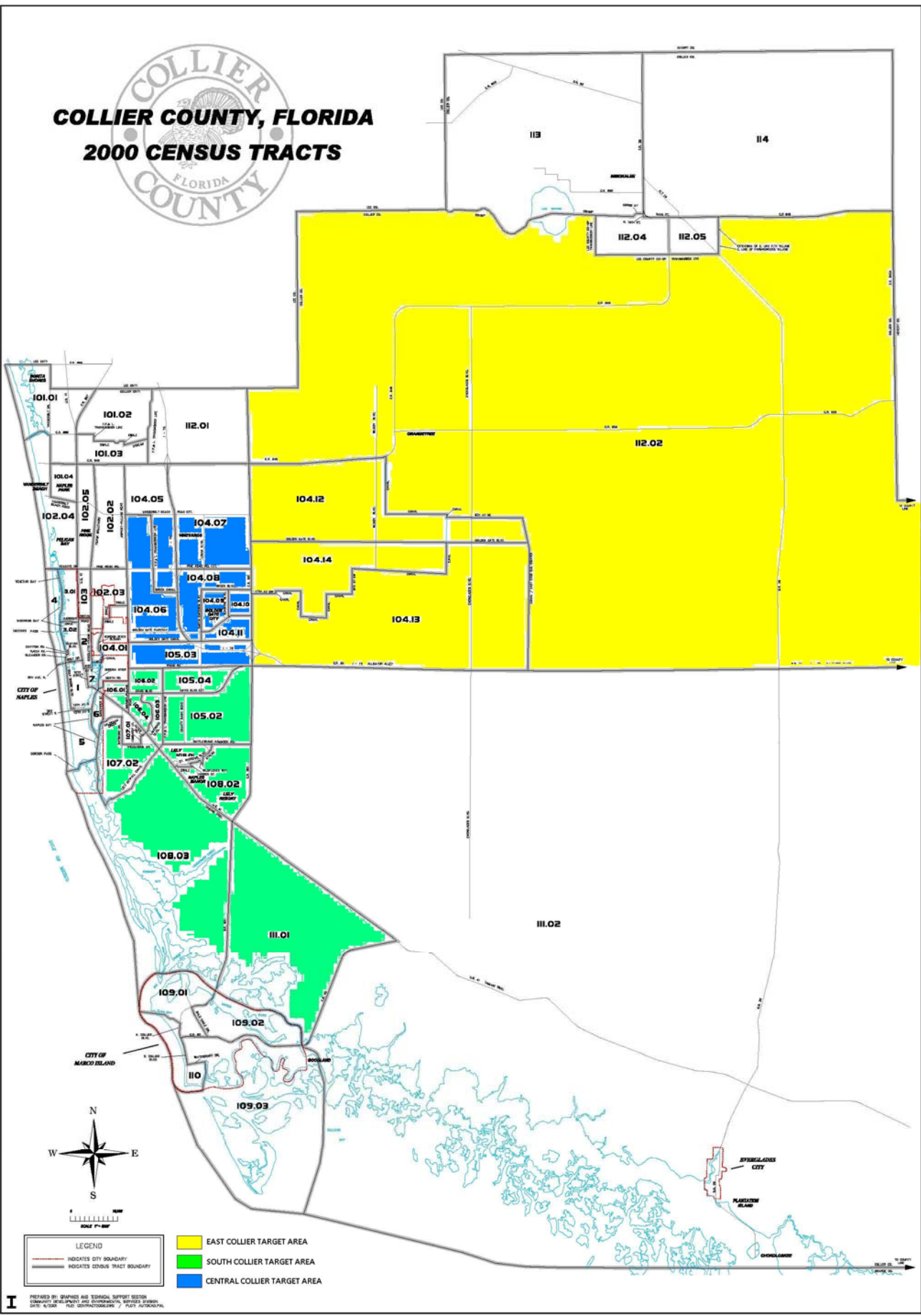
Census Tract	Foreclosure Needs Index Score	Vacancy Risk Index Score	Max Index Score
0105.04	20	19	20
0106.02	19	15	19
0106.01	19	19	19
0106.04	19	15	19
0106.03	20	16	20
0105.02	20	17	20
0108.01	19	18	19
0107.02	19	14	19
0108.02	20	8	20
0108.03	19	1	19
0111.01	20	1	20
Average Max Index Score			19.45

CENTRAL COLLIER TARGET AREA

Census Tract	Foreclosure Needs Index Score	Vacancy Risk Index Score	Max Index Score
0104.06	20	12	20
0104.08	19	16	19
0105.03	20	18	20
0104.11	20	15	20
0104.09	20	18	20
0104.10	20	19	20
0104.07	20	1	20
Average Max Index Score			19.86

The map appearing on the following page provides a visual representation of the three (3) target areas. East Collier is depicted in yellow, South Collier is depicted in green and Central Collier is depicted in blue.

COLLIER COUNTY, FLORIDA
2000 CENSUS TRACTS



LEGEND	
	INDICATES CITY BOUNDARY
	INDICATES CENSUS TRACT BOUNDARY
	EAST COLLIER TARGET AREA
	SOUTH COLLIER TARGET AREA
	CENTRAL COLLIER TARGET AREA

PREPARED BY: GRAPHICS AND TECHNICAL SUPPORT SECTION
 COUNTY OF COLLIER, FLORIDA
 DATE: 4/10/08

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.

Narrative Response:

Based upon the County's analysis of the HUD average foreclosure index scores, all three areas are eligible for NSP assistance. Furthermore, the 68% of the targeted census tracts have a max index score of 20, the most severe rating possible under the NSP. The NSP Allocation will be used as described in Section G – NSP Information by Activity. Twenty-five (25) percent of the Collier County NSP Allocation will be used to assist households earning no more than fifty (50) percent of the local area median income. Collier County will continue to monitor local housing data in an effort to determine if an expanded area of assistance is required.

Dwelling units assisted with NSP Funds shall be rehabilitated to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability. Collier County will encourage rehabilitation that improves the energy efficiency and/or conservation of dwelling units receiving assistance. Additionally, the County will strongly encourage the incorporation of green building improvements to provide long-term affordability, increased sustainability and attractiveness of housing and neighborhoods.

C. DEFINITIONS AND DESCRIPTIONS

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

Narrative Response:

Blighted structure, as extracted from 2008 Florida Statute 163.340, is defined as a structure that is deteriorated or deteriorating to the extent that unsanitary or unsafe conditions may threaten the health safety and welfare of the public. Characteristics include, but are not limited to:

- (a) Unsanitary or unsafe conditions;
- (b) Deterioration of site or other improvements;
- (c) Inadequate provision for ventilation, light, air, sanitation or open spaces;
- (d) The existence of conditions that endanger life of property by fire or other causes.

(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.

Narrative Response:

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 Naples – Marco Island MSA. The current rates are listed below:

Final FY 2009 FMRs By Unit Bedrooms					
	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
Final FY 2009 FMR	\$ 868	\$ 995	\$ 1,120	\$ 1,392	\$ 1,449

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

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

Narrative Response:

Collier County will ensure long term affordability through the use of a recorded lien against the property. If an owner who has been assisted through this program transfers title to the property before the affordability period expires, the assistance provided by the County will be subject to recapture. The County will monitor assisted units on an annual basis during the affordability period.

All properties receiving assistance from the Neighborhood Stabilization Program (NSP) will be secured by a recorded second mortgage on the subject property in favor of Collier County. In the event the unit is transferred to an owner(s) deemed eligible for assistance under NSP guidelines, the amount of assistance will remain in the subject property to provide continued affordability. In the event the unit is transferred to an owner(s) deemed ineligible for assistance under NSP guidelines, the amount of assistance will be recaptured.

The County will use the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c), (e) and (f), and 92.254. The minimum affordability periods are as follows:

- Up to \$15,000 – 5 Years
- \$15,001 to \$40,000 – 10 Years
- Over \$40,001 – 15 Years
- New Construction – 20 Years

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

Narrative Response:

All dwelling units that require rehabilitation must meet local and state building codes. Collier County will require home rehabilitation to meet, or exceed, current Florida Building Code (FBC). The current code used by Collier County is the 2004 FBC; effective March 1, 2009 the code will be updated to 2007 FBC. Collier County will encourage rehabilitation that improves the energy efficiency and/or conservation of dwelling units receiving assistance. Additionally, the County will strongly encourage the incorporation of green building improvements to provide long-term affordability, increased sustainability and attractiveness of housing and neighborhoods. Collier County encompasses a large coastal area that subjects the residents to the risk of hurricanes and severe flooding. The County will encourage hurricane hardening and damage mitigation during rehabilitation.

Collier County’s Department of Housing and Human Services has a Local Housing Assistance Plan (LHAP), adopted as Ordinance No. 93-19 and Ordinance No. 94-39. The referenced ordinances detail the specifications required to bring substandard housing into compliance with local and state building codes.

(5) Definition of “Middle Income Household”

A household having an income equal to or less than 120% of area median income, but greater than 80% of area median income, adjusted for household size.

(6) Definition of “Moderate Income Household”

A household having an income equal to or less than 80% of area median income, but greater than 50% of area median income, adjusted for household size.

(7) Definition of “Low Income Household”

A household having an income equal to or less than 50% of area median income, adjusted for household size.

(8) Definition of “Current Market Appraised Value”

The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer.

(9) Definition of “Abandoned”

A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

(10) Definition of “Blighted Structure”

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

(11) Definition of “Foreclosed”

A property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

(12) Definition of “Land Bank”

A land bank is a governmental or nongovernmental nonprofit entity established, at least in part, to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property. For the purposes of the NSP Program, a land bank will operate in a specific, defined geographic area. It will purchase properties that have been abandoned or foreclosed upon and maintain, assemble, facilitate redevelopment of, market, and dispose of the land-banked properties. If the land bank is a governmental entity, it may also maintain abandoned or foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.

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: \$1,827,000.00.

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.

Narrative Response:

Collier County acknowledges that households earning less than 50% AMI may require affordable rental apartment dwelling units. Therefore the County will explore options for purchase and rehabilitation of multi-family rental apartment dwelling units. Special emphasis shall be placed on providing rental housing to the special needs population, such as elderly or developmentally disabled, earning less than 50% AMI.

Some local non-profit housing providers in Collier County have a proven track record of success in providing homeownership units to households earning less than 50% AMI. As such, the County may encourage home ownership should the subject property be shown affordable to the prospective homebuyer.

Should a unit acquired and intended for homeownership fail to sell within a timeframe deemed reasonable by Collier County, said unit may be rented to a household earning less than 50% AMI. Should this occur, the Collier County Department of Housing and Human Service's may partner with for-profit or nonprofit organizations to provide services such as, but not limited to, property management services, tenant selection and collection of monthly rental payments. Currently, the Collier County Housing Authority operates a Tenant-Based Rental Assistance (TBRA) Program. The agency has a proven track record of providing a compliant Section 8 Department of Housing and Urban Development rental subsidy program.

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.

Narrative Response:

Should the initial inspection and/or rehabilitation work determine that demolition of the dwelling unit is more cost effective, Collier County may chose to demolish the existing unit and either place the site in the County land bank or construct a new unit on the site. If the cost to rehabilitate the unit is greater than fifty (50) percent

of the acquisition price, and/or the cost of acquisition and rehabilitation exceeds one hundred (100) percent loan-to-value, the County will consider demolition. Collier County does not intend demolition to be a major activity in its NSP. Rather, the County reserves the right to demolish an acquired property if deemed a more fiscally effective use of NSP Funds.

The County shall abide by Uniform Relocation Action (URA) requirements for any affected household where a housing unit is being demolished that has not been vacant for greater than ninety (90) days. Collier County will avoid using NSP Funds to acquire homes or residential properties that have been vacant for fewer than ninety (90) days.

F. PUBLIC COMMENT

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

Narrative Response:

On October 22, 2008 Collier County posted the proposed NSP Substantial Amendment on its website. Additionally, notice of the County's allocation and availability of the proposed NSP Substantial Amendment was advertised in the local Naples Daily News. Below are listed the comments received during the mandatory fifteen (15) day public comment period.

Public Comment #1

From: John Barlow
Sent: Wednesday, October 22, 2008 8:28 PM
To: KrumbineMarcy
Subject: RE: Collier County NSP Substantial Amendment

Marcy,
I printed out the NSP Draft and scanned it. I will read it in its entirety this weekend. The data in this document screams for the three areas you identified, and supports our rehabilitated home in zip code 34116, which is one of the highest zip codes for foreclosed properties.
I like the plan and look forward to doing our part to make this dilapidated homes better, much better.

John F. Barlow

Response #1

From: KrumbineMarcy
Sent: Friday, November 07, 2008 12:38 PM
To: 'John Barlow'
Subject: RE: Collier County NSP Substantial Amendment

Thank you for your comments. We will include your comments within the public comment section of our NSP Amendment.

Marcy Krumbine,MPA

Public Comment #2

From: Stephen Hruby - AU
Sent: Monday, November 03, 2008 12:17 PM
To: KrumbineMarcy
Cc: RamseyFrank
Subject: NAP Grant Submission

Marcy,

In preparation for the meeting today, I did a quick overview of the NSP Grant Submission that you posted. I had several comments on various activity narratives.

On Activity #1 and #2:

- It is not clear, but I assume the county is purchasing, holding title and then reselling the for sale homes and not utilizing a third party non-profit or developer to do so?
- If the above is true, what is the intention for retaining and managing the rental property or is it your intention to sell the units with the restrictions on them? Would you consider turning them over to the public housing authority to manage?
- It is not clear to me how you intend to renovate the properties. It says the County will scope the work, but you are not clear as to who will do the work. I assume you will retain contractors. What is your procurement process?
- You mention in several places that the County may partner with non-profits. What do anticipate they will do and how would you select an procure their services?

On Activity #3:

- I did not see anything in the narrative that explained what type of assistance and the limits of assistance would be provided to the direct buyer. Can you elaborate?

On Activity #4:

- Can you expand the contracts of the two service providers you have under contract now or must you re-procure them?

Stephen J. Hruby AIA

Response #2

From: KrumbineMarcy

Sent: Friday, November 07, 2008 12:47 PM

To: 'Stephen Hruby - AU'

Cc: RamseyFrank

Subject: RE: NAP Grant Submission

Thank you for your comments and questions regarding the NSP Grant submission. They will be included in the public comment section of the amendment.

To answer your questions, the department has kept the various sections of each activity purposely flexible in order to comply with the strict timeline of the grant. It is our intention to work as quickly and efficiently as possible either in house or with our community partners to acquire and rehabilitate properties within the allotted timeframe. At all times, the processes will adhere to proper procurement procedures.

Direct assistance to a homebuyer will not exceed \$50,000.

Thank you again for your interest and comments.

Marcy Krumbine,MPA

Public Comment #3

From: Barbara Cacchione

Sent: Tuesday, November 04, 2008 11:22 AM

To: KrumbineMarcy

Subject: Public comment

The NSP substantial amendment proposed by Collier County targets several specific areas in Collier County which have a high rate of foreclosure, as well as subprime mortgages. I would ask that you consider adding another area which includes Immokalee. Immokalee was targeted by HUD as an area of high foreclosure and abandonment risk area according to their data. In addition, there is a high degree of abandoned and dilapidated structures according to the County's own estimates which add to the need for the

Neighborhood Stabilization Program for the area. The Immokalee Community is much smaller in scale so the funding allocated could be less than the other targeted areas. In addition, there is a strong active collaborative effort among the housing nonprofits to effectively leverage the funding that is allocated by turning the funds in to program income and purchasing additional properties. The Immokalee Housing Collaborative is particularly interested in the Eden Park Neighborhood where there are a number of vacant, dilapidated homes currently for sale.

On behalf of the Immokalee housing nonprofits and the Immokalee Community we would appreciate consideration of an allocation of funding that would include the Immokalee Community. This can be done by providing a percentage of funds that are available for areas outside of the targeted areas identified by the County or by a smaller allocation to the Immokalee Community based on the poor housing conditions that currently exist and the numbers of foreclosures for a smaller community to absorb. I thank you for your consideration and will be happy to discuss this in further detail. Please contact me at your convenience at 239-287-1428 or email at bcacchione@comcast.net.

Response #3

From: KrumbineMarcy
Sent: Tuesday, November 04, 2008 12:56 PM
To: 'Barbara Cacchione'; RamseyFrank
Subject: RE: Public comment

Thank you for your public comment. The NSP program is very specific in using grant funds for the area of the most need based upon foreclosure rates. The County can ask HUD for an exception and we can explain the pressing needs of the Immokalee community. This will be based on board direction and these comments will be included in the Action Plan.

Marcy Krumbine,MPA

Public Comment #4

From: Debi Mahr
Sent: Wednesday, November 05, 2008 10:48 AM
To: KrumbineMarcy
Subject: Public Comment

Marcy,

Please accept the attached public comment from the Collier County Hunger and Homeless Coalition regarding the County's NSP draft of proposed use of funding. We appreciate the opportunity.

Background information and HUD recommendations:

The Neighborhood Stabilization Program (NSP) appropriates \$3.92 billion to communities and states across the country. Collier County is eligible for \$7,306,755.00 to be used for:

- Establishing financing mechanisms for purchase and redevelopment of foreclosed homes
- Purchasing or rehabilitating homes and residential properties that have been abandoned or foreclosed, in order to sell, rent, or redevelop such homes and properties
- Establishing land banks for homes that have been foreclosed upon
- Demolishing blighted structures
- Redeveloping demolished or vacant properties

HUD ideas for how you might use the money to serve the homeless and at-risk population:

- Purchase several single-family homes in a neighborhood and create a permanent supportive housing project for homeless persons.
- Purchase a single-family home and rehabilitate it to contain two or three apartments to be used as permanent housing for homeless persons.
- Purchase a residential property and construct an apartment complex which will be used as permanent housing for homeless persons.

Thank you,
Debra Mahr/Executive Director

Response #4

From: KrumbineMarcy
Sent: Friday, November 07, 2008 8:19 AM
To: 'Debi Mahr'
Subject: RE: Public Comment

The Department of Housing and Human Services is in receipt of your public comment for the draft of the NSP Action Plan. In your comment, you propose the increase of funding for 50% and below of the AMI to 40%. Your comments will be included in the Action Plan and presented to the Board of County Commissioners.

Please understand that the grant only provides for housing units and does not provide any operating funds for these units. In speaking with various members of the HUD staff in Washington, DC and local housing partners who serve those needing transitional or permanent housing for the very low income of Collier County, there is a concern about staffing for expanded housing services. While Housing and Human Services is the lead agency for the Continuum of Care and understands the need, it is critical for us to assure that any units dedicated to 50% of the AMI or below can and will be properly managed by our area agencies. As we move forward, we will indeed look to formalize partnerships with agencies that have the capacity to take on additional property management for the very low income, elderly, special needs, homeless and those at risk.

Marcy Krumbine,MPA

Public Comment #5

November 6, 2008

Marcy Krumbine
Director
Collier County Housing & Human Services
3050 North Horseshoe Drive, Suite 110
Naples, FL 34104

Re: Action Plan for Neighborhood Stabilization Program

Dear Ms. Krumbine:

Thank you for including the Collier County Housing Authority in the Action Plan, as a potential partner with Collier County, in meeting the needs of the county through the Neighborhood Stabilization Program, particularly the 25% targeted to individuals and families at 50% AMI or below.

Our considerable experience includes dealing with very low income households through the federal programs we administer. That experience and skills involves all aspects of property management and familiarity with some of the federal compliance requirements. Farm Worker Village, a multi-family development of 611 units, is one of the three developments that we own and manage in Immokalee. We also have a track record in the administration of a Section 8 Housing Choice Voucher Program, a rental subsidy program, county-wide. One of the components of that program involves conducting inspections of housing units utilizing HUD's Housing Quality Standards.

We stand ready to assist and partner with you and your department in meeting the local goals as described in the action plan, as well in the following manner:

1. Multifamily projects could be deeded to the Housing Authority for potential use as new affordable housing for families at 50% or less AMI with the understanding that deed restrictions would apply.
2. Scattered single family units could be deeded to the Housing Authority for use as scattered site affordable housing rentals where mortgages/gap financing may not be available for families with the understanding that deed restrictions would apply.
3. Work with the Continuum of Care partners in providing housing for homeless families or individuals, that at risk, elderly or special needs.
4. Work with local partners to create a land bank of properties.

Thank you again for the potential opportunity to partner with the county in addressing the affordable housing issues in the community.

Sincerely,
Esmeralda Serrata, PHM
Executive Director

Response #5

None.

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

Activity #1 - Acquisition and Rehabilitation of Foreclosed Properties for Resale

(1) Activity Name: Acquisition and Rehabilitation of Foreclosed Properties for Resale

(2) Activity Type: Acquisition and Rehabilitation of Foreclosed Properties for Resale

- 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;
- 24 CFR 570.201(a) Acquisition;
- 24 CFR 570.201(b) Disposition;
- 24 CFR 570.201(i) Relocation;
- 24 CFR 570.201(n) Direct homeownership assistance (as modified below);
 - 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).

(3) National Objective: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Projected Start Date: February 13, 2009

(5) Projected End Date: February 13, 2014

(6) Responsible Organization: Collier County Department of Housing and Human Services; 3301 E Tamiami Trail, Building H, Suite 211, Naples, FL 34112. The County may solicit through Requests for Qualifications and/or Requests for Proposals organizations/partners to participate in the program.

(7) Location Description: Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas. The County will continue to monitor local foreclosure data and intend the NSP to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Narrative Response:

Collier County's Department of Housing and Human Services will be the lead agency in working with local lenders to acquire homes that have been foreclosed, vacant for at least ninety (90) days and on the lender's list of current inventory. The County may partner with various community organizations and agencies to identify properties suitable for NSP assistance. Nonprofit and/or charitable organizations with a proven track record of successfully implementing this activity, as well as administering U.S. Department Housing and Urban Development grant funds, may be solicited to perform all or parts of this activity. The Department of Housing and Human Services will consult the County's list of approved contractors and developers when rehabilitation is required.

The County shall identify properties for sale in the areas of greatest need. If required, a rehabilitation plan shall be developed and the County and/or housing partners will determine if acquisition of the subject property is financially feasible.

Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas.

The purchase price for all properties acquired with NSP Funds during the initial 18 month period shall be discounted at least one (1) percent from the current market-appraised value of the home or residential property and that such discount shall ensure that purchasers are paying below-market value for the home or property. The current market appraisal will be made in conformity with the requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer to purchase made by the County or an approved housing partner.

If required, rehabilitation shall be completed and the subject property will be sold to an income eligible applicant earning no more than 120% of local area median income. The applicant will procure a fixed-rate mortgage through the Collier County Loan Consortium, local banks, FHA or USDA. The interest rate shall not exceed one (1) percent above the then current 60 day Fannie Mae Index. Additionally, no mortgage insurance is allowed (the only exception being FHA Home Loans), all loans shall be fully documented, no pre-payment penalties are permitted, closing costs must be reasonable and customary and applicants' total debt-to-income ratio must be reasonable as determined by the Collier County Department of Housing and Human Services.

All lenders providing first mortgage financing for homes or residential properties assisted with NSP Funds agree to comply with the bank regulators' guidance for non-traditional mortgages. Refer to Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>.

A portion of the NSP Funds used in the acquisition and/or rehabilitation may remain in the home or residential property to provide principal reduction and increase affordability.

The homes targeted for NSP assistance will be properties that have been foreclosed, bank-owned, and vacant for at least ninety (90) days. The County shall negotiate with local banks to purchase properties at a discount rate of at least 15 percent from the current market-appraised value. The current market appraisal will be made in

conformity with the requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer to purchase made by the County or an approved housing partner.

Collier County anticipates that many of the homes or residential properties acquired with NSP Funds will require rehabilitation and/or improvements to bring the home or residential property into compliance with current code for Collier County as detailed in Section C of this Substantial Amendment. Collier County shall prepare a written Rehabilitation Specification Report for each property to be used to describe in detail the required rehabilitation and establishment of a cost estimate for the work plan. Additionally, the County will strongly encourage the incorporation of green building improvements to provide long-term affordability, increased sustainability and attractiveness of housing and neighborhoods. Collier County encompasses a large coastal area that subjects the residents to the risk of hurricanes and severe flooding. The County will encourage hurricane hardening and damage mitigation during rehabilitation.

Collier County will ensure long term affordability through the use of a recorded lien against the property. If an owner who has been assisted through this program transfers title to the property before the affordability period expires, the assistance provided by the County will be subject to recapture. The County will monitor assisted units on an annual basis during the affordability period.

All properties receiving assistance from the NSP will be secured by a recorded second mortgage on the subject property in favor of Collier County. In the event the unit is transferred to an owner(s) deemed eligible for assistance under NSP guidelines, the amount of assistance will remain in the subject property to provide principal reduction. In the event the unit is transferred to an owner(s) deemed ineligible for assistance under NSP guidelines, the amount of assistance will be recaptured.

The principal reduction second mortgage shall bear an interest rate of 0%. No payment will be required until the home is sold, transferred, refinanced, is no longer the primary homesteaded residence or is operated for an activity deemed ineligible for assistance under NSP guidelines. At that time the balance of the loan will be repaid.

The County will use the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c), (e) and (f), and 92.254. The minimum affordability periods are as follows:

- Up to \$15,000 – 5 Years
- \$15,001 to \$40,000 – 10 Years
- Over \$40,001 – 15 Years
- New Construction – 20 Years

The Collier County Department of Housing and Human Service's shall maintain an active list of income-qualified and mortgage ready applicants. Under direction from the Housing Manager, staff members shall meet with and pre-qualify potential homebuyers on a regular basis. The applicant(s) will be qualified based on criteria such as household income, job stability, credit history and liquidity. A minimum of 25 percent of the Collier County NSP Allocation shall be used to assist households earning less than 50 percent local area median income. In no event shall NSP Funds be used to assist households earning more than 120 percent local area median income. All applicants must receive at least eight (8) hours of homebuyer education from a U.S. Department of Housing and Urban Development certified counselor.

In the event Collier County is unable to sell the acquired home or residential property, the County may, at its sole discretion, deed the property to the Collier County Housing Authority or nonprofit provider of affordable housing. All affordability restrictions listed above shall still apply and the unit(s) must be occupied by

households earning no more than 120 percent of the local area median income. Special preference shall be given to those who are currently homeless, at risk of homelessness, elderly or special needs. All tenants must be income-qualified and rents may not exceed the limits as established in Section C. Definitions and Descriptions, (2) Definition of “affordable rents”.

Collier County shall place program income derived from the sale of the home or residential property into a separate revolving fund to recycle the NSP Funds. Program income shall be used for any eligible NSP Activity listed within this Substantial Amendment, a portion of which may be used for program administration.

A minimum of 25 percent of the Collier County NSP Allocation shall be used to assist households earning less than 50 percent local area median income. In no event shall NSP Funds be used to assist households earning more than 120 percent local area median income.

Activity #2 - Acquisition and Rehabilitation of Foreclosed Properties for Rental

(1) Activity Name: Acquisition and Rehabilitation of Foreclosed Properties for Rental

(2) Activity Type: Acquisition and Rehabilitation of Foreclosed Properties for Rental

- 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;
- 24 CFR 570.201(a) Acquisition;
- 24 CFR 570.201(b) Disposition;
- 24 CFR 570.201(i) Relocation;
- 24 CFR 570.201(n) Direct homeownership assistance (as modified below);
 - 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).

(3) National Objective: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Projected Start Date: February 13, 2009

(5) Projected End Date: February 13, 2014

(6) Responsible Organization: Collier County Department of Housing and Human Services; 3301 E Tamiami Trail, Building H, Suite 211, Naples, FL 34112. The County may solicit through Requests for Qualifications and/or Requests for Proposals organizations/partners to participate in the program.

(7) Location Description: Collier will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas. The County will continue to monitor local foreclosure data and intend the NSP Program to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Narrative Response:

Collier County's Department of Housing and Human Services will be the lead agency in working with local lenders to acquire homes that have been foreclosed, vacant for at least ninety (90) days and on the lender's list of current inventory. The County may partner with various community organizations and agencies to identify properties suitable for NSP assistance. Nonprofit and/or charitable organizations with a proven track record of successfully implementing this activity, as well as administering U.S. Department Housing and Urban Development grant funds, may be solicited to perform all or parts of this activity. The Department of Housing and Human Services will consult the County's list of approved contractors and developers when rehabilitation is required.

The County shall identify properties for sale in the areas of greatest need. If required, a rehabilitation plan shall be developed and the County and/or housing partners will determine if acquisition of the subject property is financially feasible.

Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas.

The purchase price for all properties acquired with NSP Funds during the initial 18 month period shall be discounted at least one (1) percent from the current market-appraised value of the home or residential property. The current market appraisal will be made in conformity with the requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer to purchase made by the County or an approved housing partner. If required, rehabilitation shall be completed and the subject property will be rented to an income eligible applicant earning no more than 120% of local area median income.

Collier County anticipates that many of the homes or residential properties acquired with NSP Funds will require rehabilitation and/or improvements to bring the home into compliance current code for Collier County as detailed in Section C of this Substantial Amendment. Collier County shall prepare a written Rehabilitation Specification Report for each property to be used to describe in detail the required rehabilitation and establishment of a cost estimate for the work plan. Additionally, the County will strongly encourage the incorporation of green building improvements to provide long-term affordability, increased sustainability and attractiveness of housing and neighborhoods. Collier County encompasses a large coastal area that subjects the residents to the risk of hurricanes and severe flooding. The County will encourage hurricane hardening and damage mitigation during rehabilitation.

Collier County will ensure long term affordability through the use of a recorded lien against the property. All rents charged shall conform to the Fair Market Rents (FMR) limits as defined in Section C. Definitions and

Descriptions, Part 2, as amended from time to time by the U.S Department of Housing and Urban Development. The County will monitor assisted units on an annual basis during the affordability period.

All properties receiving assistance from the Neighborhood Stabilization Program (NSP) will be secured by a recorded second mortgage on the subject property in favor of Collier County. The interest rate shall be 0%. In the event the unit(s) is transferred, refinanced or operated for an activity deemed ineligible for assistance under NSP guidelines, the amount of assistance will be recaptured.

The County will use the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c), (e) and (f), and 92.254. The minimum affordability periods are as follows:

- Up to \$15,000 – 5 Years
- \$15,001 to \$40,000 – 10 Years
- Over \$40,001 – 15 Years
- New Construction – 20 Years

A portion of the NSP Funds used in the acquisition and/or rehabilitation may remain in the home or residential property to provide a subsidy to the renter and increase the subject property's affordability. Collier County shall place program income derived from the rental operations of the home or residential property into a separate revolving fund to recycle the NSP Funds. Program income shall be used for any eligible NSP Activity listed within this Substantial Amendment, a portion of which may be used for program administration.

The Collier County Department of Housing and Human Service's may partner with for-profit or nonprofit organizations to provide services such as, but not limited to, property management services, tenant selection and collection of monthly rental payments. Currently, the Collier County Housing Authority operates a Tenant-Based Rental Assistance (TBRA) Program. The agency has a proven track record of providing a compliant Section 8 Department of Housing and Urban Development rental subsidy program. The TBRA program is designed to include a preference for those who are currently homeless, at risk of homelessness, elderly or special needs while meeting the fluctuating demands for housing.

Collier County or its housing partner may contact local social service agencies for tenant referrals. Currently, the following agencies provide referrals for the TBRA program: St. Matthew's House, Shelter for Abused Women and Children, Salvation Army, Catholic Charities, Collier County School Resources and Immokalee Friendship House. Applicants seeking assistance through the TBRA program are required to meet income guidelines and are subject to criminal background screening.

A minimum of 25 percent of the Collier County NSP Allocation shall be used to assist households earning less than 50 percent local area median income. In no event shall NSP Funds be used to assist households earning more than 120 percent local area median income.

Activity #3 – Purchase Assistance to Acquire Foreclosed Properties

(1) Activity Name: Purchase Assistance to Acquire Foreclosed Properties

(2) Activity Type: Purchase Assistance to Acquire Foreclosed Properties

- 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;
- 24 CFR 570.201(a) Acquisition;

- 24 CFR 570.201(b) Disposition;
- 24 CFR 570.201(i) Relocation;
- 24 CFR 570.201(n) Direct homeownership assistance (as modified below);
 - 570.202 eligible rehabilitation and preservation activities for homes and other residential properties (HUD notes that rehabilitation may include counseling for those seeking to take part in the activity).

(3) National Objective: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Projected Start Date: February 13, 2009

(5) Projected End Date: February 13, 2014

(6) Responsible Organization: Collier County Department of Housing and Human Services; 3301 E Tamiami Trail, Building H, Suite 211, Naples, FL 34112. The County may solicit through Requests for Qualifications and/or Requests for Proposals organizations/partners to participate in the program.

(7) Location Description: Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas. The County will continue to monitor local foreclosure data and intend the NSP Program to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Narrative Response:

Collier County’s Department of Housing and Human Services will be the lead agency in working with local residents to acquire homes that have been foreclosed, vacant for at least ninety (90) days and on the lender’s list of current inventory. The County may partner with various community organizations and agencies to assist persons locate properties suitable for NSP assistance. Nonprofit and/or charitable organizations with a proven track record of successfully implementing this activity, as well as administering U.S. Department Housing and Urban Development grant funds, may be solicited to perform all or parts of this activity.

The Purchase Assistance Activity shall assist first-time homebuyers by paying a principal reduction for the proposed purchase. The activity provides assistance for the purchase of single family homes, duplexes, condominiums, townhouses or DCA approved manufactured homes.

Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas.

The purchase price for all properties acquired with NSP Funds during the initial 18 month period shall be discounted at least one (1) percent from the current market-appraised value of the home or residential property. The current market appraisal will be made in conformity with the requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer to purchase made by the applicant. All households assisted must earn no more than 120 percent of the local area median income.

The applicant will procure a fixed-rate mortgage through the Collier County Loan Consortium, local banks, FHA or USDA. The interest rate shall not exceed one (1) percent above the then current 60 day Fannie Mae Index. Additionally, no mortgage insurance is allowed (the only exception being FHA Home Loans), all loans shall be fully documented, no pre-payment penalties are permitted, closing costs must be reasonable and customary and applicants' total debt-to-income ratio must be reasonable as determined by the Collier County Department of Housing and Human Services. All applicants must receive at least eight (8) hours of homebuyer education from a U.S. Department of Housing and Urban Development certified counselor.

All lenders providing first mortgage financing for homes or residential properties assisted with NSP Funds agree to comply with the bank regulators' guidance for non-traditional mortgages. Refer to Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of the Treasury, and National Credit Union Administration, available at <http://www.fdic.gov/regulations/laws/rules/5000-5160.html>.

Collier County will ensure long term affordability through the use of a recorded lien against the property. The County will monitor assisted units on an annual basis during the affordability period. Additionally, all properties receiving assistance from the NSP will be secured by a recorded second mortgage on the subject property in favor of Collier County.

The purchase assistance second mortgage shall bear an interest rate of 0%. No payment will be required until the home is sold, transferred, refinanced, is no longer the primary homesteaded residence or is operated for an activity deemed ineligible for assistance under NSP guidelines. At that time the balance of the loan will be repaid.

All applicants will be taken on a first-come-first-served basis. Applicants must meet NSP income guidelines, as well as the following: applicant must be a first time home buyer, defined as not having home ownership interest in a residential property during the past three (3) years, a single parent with children under the age of eighteen (18) who has recently been divorced and displaced, a displaced victim of domestic violence, or a person displaced as the result of some government action; the assisted residential property must be located within the boundaries of Collier County, Florida and the purchase price may not exceed \$200,000.

The County will use the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c), (e) and (f), and 92.254. The minimum affordability periods are as follows:

- Up to \$15,000 – 5 Years
- \$15,001 to \$40,000 – 10 Years

- Over \$40,001 – 15 Years
- New Construction – 20 Years

Collier County shall place program income derived from the sale of the home or residential property into a separate revolving fund to recycle the NSP Funds. Program income shall be used for any eligible NSP Activity listed within this Substantial Amendment, a portion of which may be used for program administration.

In no event shall NSP Funds be used to assist households earning more than 120 percent local area median income. All applicants must receive at least eight (8) hours of homebuyer education from a U.S. Department of Housing and Urban Development certified counselor.

Activity #4 – Demolition of Acquired Foreclosed Properties

(1) Activity Name: Demolition of Acquired Foreclosed Properties

(2) Activity Type: Demolition and Clearance of Foreclosed Properties

- Demolish blighted structures;
- 24 CFR 570.201(d) Clearance for blighted structures only.

(3) National Objective: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Projected Start Date: February 13, 2009

(5) Projected End Date: February 13, 2014

(6) Responsible Organization: Collier County Department of Housing and Human Services; 3301 E Tamiami Trail, Building H, Suite 211, Naples, FL 34112. The County may solicit through Requests for Qualifications and/or Requests for Proposals organizations/partners to participate in the program.

(7) Location Description: Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas. The County will continue to monitor local foreclosure data and intend the NSP Program to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Narrative Response:

Homes or residential properties acquired through the NSP that are not economically feasible to rehabilitate, pose a health threat or pose safety threat, may be demolished. Demolished properties may be placed in a land bank maintained by Collier County or provided to a local nonprofit provider of affordable housing. Additionally, NSP Funds may be used to construct a new home on the site.

Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas.

If the cost to rehabilitate the unit is greater than fifty (50) percent of the acquisition price, and/or the cost of acquisition and rehabilitation exceeds one hundred (100) percent loan-to-value, the County will consider demolition. Collier County does not intend demolition to be a major activity in its NSP. Rather, the County reserves the right to demolish an acquired property if deemed a more fiscally effective use of NSP Funds.

The County shall abide by Uniform Relocation Action (URA) requirements for any affected household where a housing unit is being demolished that has not been vacant for greater than ninety (90) days. Collier County will avoid using NSP Funds to acquire homes or residential properties that have been vacant for fewer than ninety (90) days.

Should Collier County or its housing partner construct a new unit on the site, such activity shall be governed by NSP guidelines as discussed in Activity #1 - Acquisition and Rehabilitation of Foreclosed Properties for Resale. Additionally, all households assisted must earn no more than 120 percent of the local area median income.

The County will use the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c), (e) and (f), and 92.254. The minimum affordability periods are as follows:

- Up to \$15,000 – 5 Years
- \$15,001 to \$40,000 – 10 Years
- Over \$40,001 – 15 Years
- New Construction – 20 Years

Collier County shall place program income derived from the sale of the home or residential property into a separate revolving fund to recycle the NSP Funds. Program income shall be used for any eligible NSP Activity listed within this Substantial Amendment, a portion of which may be used for program administration.

Activity #5 – Land Banking of Acquired Properties

(1) Activity Name: Land Banking of Acquired Properties

(2) Activity Type: Land Banking of Acquired Properties

- Establish land banks for homes that have been foreclosed upon;
- 24 CFR 570.201(a) Acquisition;
- 24 CFR 570.201(b) Disposition.

(3) National Objective: Provides or improves permanent residential structures that will be occupied by a household whose income is at or below 120 percent of area median income.

(4) Projected Start Date: February 13, 2009

(5) Projected End Date: February 13, 2014

(6) Responsible Organization: Collier County Department of Housing and Human Services; 3301 E Tamiami Trail, Building H, Suite 211, Naples, FL 34112. The County may solicit through Requests for Qualifications and/or Requests for Proposals organizations/partners to participate in the program.

(7) Location Description: Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas. The County will continue to monitor local foreclosure data and intend the NSP Program to be flexible to allow for timely reaction to any significant changes in the local housing market.

(8) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

For housing related activities, include:

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

For acquisition activities, include:

- discount rate

For financing activities, include:

- range of interest rates

Narrative Response:

Collier County may acquire properties that have been foreclosed and/or vacant for at least ninety (90) days and are on the lender's list of current inventory to be placed in a land bank. The purchase price for all properties acquired with NSP Funds during the initial 18 month period shall be discounted at least one (1) percent from the current market-appraised value of the home or residential property. The current market appraisal will be made in conformity with the requirements of the URA at 49 CFR 24.103 and completed within 60 days prior to an offer to purchase made by the County or an approved housing partner. The County may partner with various community organizations and partners to identify properties suitable for NSP land banking. Properties acquired through this NSP Program for the purpose of being placed in a land bank may be demolished as discussed in Activity #5 - Demolition of Acquired Foreclosed Properties.

Collier County will assist those areas defined in Section A. Areas of Greatest Need – Identified Program Target Areas.

Collier County will ensure long term affordability through the use of a recorded lien against the property. The County will monitor assisted units on an annual basis during the affordability period. Additionally, all

properties receiving assistance from the NSP will be secured by a recorded second mortgage on the subject property in favor of Collier County.

The second mortgage shall bear an interest rate of 0%. No payment will be required until the home is sold, transferred, refinanced, is no longer the primary homesteaded residence or is operated for an activity deemed ineligible for assistance under NSP guidelines. At that time the balance of the loan will be repaid.

Subsequent redevelopment shall abide by all local and state building codes. Collier County will require home rehabilitation to meet, or exceed, current Florida Building Code (FBC). The current code used by Collier County is the 2004 FBC; effective March 1, 2009 the code will be updated to 2007 FBC. Collier County will encourage rehabilitation that improves the energy efficiency and/or conservation of dwelling units receiving assistance. Additionally, the County will strongly encourage the incorporation of green building improvements to provide long-term affordability, increased sustainability and attractiveness of housing and neighborhoods. Collier County encompasses a large coastal area that subjects the residents to the risk of hurricanes and severe flooding. The County will encourage hurricane hardening and damage mitigation during rehabilitation.

The County will use the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c), (e) and (f), and 92.254. The minimum affordability periods are as follows:

- Up to \$15,000 – 5 Years
- \$15,001 to \$40,000 – 10 Years
- Over \$40,001 – 15 Years
- New Construction – 20 Years

A minimum of 25 percent of the Collier County NSP Allocation shall be used to assist households earning less than 50 percent local area median income. In no event shall NSP Funds be used to assist households earning more than 120 percent local area median income.

An NSP-assisted property may not be held in a land bank for more than ten (10) years without obligating the property for a specific, eligible redevelopment of that property in accordance with NSP requirements.

Collier County shall place program income derived from the sale of the home or residential property into a separate revolving fund to recycle the NSP Funds. Program income shall be used for any eligible NSP Activity listed within this Substantial Amendment, a portion of which may be used for program administration

I. Total Budget: \$7,306,755

Narrative Response:

Refer to Exhibit “A”.

The U.S. Department of Housing and Urban Development allows up to 10 percent of the NSP grant provided to Collier County and up to 10 percent of program income earned for general administration and planning activities as those are defined at 24 CFR 570.205 and 206. The 10 percent limitation applies to the grant as a whole. Additionally, HUD recognizes the need to move forward rapidly to prepare this substantial amendment and to undertake other administrative actions. Therefore HUD has granted permission to incur pre-award costs effective September 29, 2008 in preparation of the substantial amendment.

J. 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):

Narrative Response:

Collier County shall include performance measures in all agreements with local partners contracted with to implement activities described in this Substantial Amendment. Such measures shall ensure funds are expended within the initial NSP required 18-month time period. Collier County shall monitor all progress to ensure the housing activities listed in this amendment are completed in a timely manner and local benefit achieved as soon as possible.

Collier County estimates the total number of units assisted with the initial \$7,306,755 allocation to be 59. As assisted units are sold or transferred, program income shall return to the County. The County may use the program income received for any activities listed in this substantial amendment, a portion of which may be used for program administration. The following is a list, by income level, of total units of housing to be assisted with NSP Funds:

- Low Income – households earning 50% of area median income or less;
 - 15 units
- Moderate Income – households earning between 51% and 80% area median income;
 - 22 units
- Middle Income – households earning between 81% and 120% area median income;
 - 22 units

Summary of Projected Number of Units Assisted

Activity Type	Low Income	Moderate Income	Middle Income
Acquisition for Resale	3	13	13
Acquisition for Rental	12	2	2
Direct Assistance	0	3	3
Demolition	0	3	3
Land Banking	0	1	1
Total	15	22	22

