

Apr 1, 2014 thru Jun 30, 2014 Performance Report

Grant Number:

B-11-UN-12-0003

Grantee Name:

Collier County, FL

LOCCS Authorized Amount:

\$3,884,165.00

Estimated PI/RL Funds:

\$388,000.00

Total Budget:

\$4,272,165.00

Grant Status:

Active

QPR Contact:

Elimaris Fernandez

Obligation Date:**Award Date:****Contract End Date:**

03/11/2014

Reviewed By HUD:

Reviewed and Approved

Disasters:

Declaration Number**Summary of Distribution and Uses of NSP Funds:**

It is not proper, nor is it the intent, for the Collier County NSP3 to compete with the private market; the private market will take care of the private market. Rather, the Collier County NSP3 should deeply target those areas that are not attractive to private investors and homebuyers, and which are causing instability, deterioration, blight, and unstable conditions in the community.

For purposes of NSP3, HUD divided Collier County into 223 unique target areas. Providing this number of small target areas will permit Collier County to deeply target areas adversely impacted by the foreclosure crisis. However, the County's success will depend on the availability of eligible properties. As such, Collier County will employ a tiered approach.

Based upon data collected from NSP1, Collier County NSP3 allocation will fund activities on approximately twenty-eight (28) units. A tiered approach will further define within the general target area, sub-areas (or tiers), to ensure that the County is able to meet the impact criteria provided by HUD. Where funds are insufficient to meet the impact criteria, the County will seek other tiers in which funds may be deeply targeted and produce the results expected by HUD, the Housing and Economic Recovery Act of 2008, and the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act).

Finally, when assessing tiers to target with NSP3, the County will consider properties assisted with

NSP1. For example, the County has made great efforts to stabilize an area loosely defined as Golden Gate City. Further investment in this area and the associated tiers will maximum the effects of both NSP1 and NSP3. Additionally, the past and future use of NSP1 in conjunction with NSP3 may assist the County in meeting the impact criteria.

The following have been selected as the target areas for Collier County's NSP3:

Target Area One – Golden Gate City (HUD Neighborhood ID 1108764)

Tier One – Census Tract 0104.10

- GeoID 120219230126300010410U1
- GeoID 120219230126300010410U2
- GeoID 120219230126300010410U3

Tier Two – Census Tract 0104.09

- GeoID 120219230126300010409U1
- GeoID 120219230126300010409U2
- GeoID 120219230126300010409U3
- GeoID 120219230126300010409U4
- GeoID120219230126300010409U5

Tier Three – Census Tract 0104.11

- GeoID 120219230126300010411U1
- GeoID 120219230126300010411U2
- GeoID 120219230126300010411U3
- GeoID 120219230126300010411R3
- GeoID 120219230126300010411R1

Target Area Two – East Naples Bayshore Gateway CRA (HUD Neighborhood ID 3981140)

Tier One – Census Tract 0107.01

- GeoID 120219230199999010701U4
- GeoID 120219230199999010701U1
- GeoID 120219230199999010701U2
- GeoID 120219230199999010701U3
- GeoID 120219230199999010701R2

How Fund Use Addresses Market Conditions:

Collier County consulted local, state, and national data sources in determining the areas of greatest need. The use of myriad data sources allowed both a macro and micro and analysis of the areas of critical concern, local and national trends, forecasting future demand, and leveraging of existing resources. The goal of Collier County when determining the areas of greatest need was to stabilize neighborhoods, arrest decline, and produce a more sustainable, inclusive, and integrated community.

Ensuring Continued Affordability:

24 CFR 92.252(a), (c), (e), and (f), and 92.254

Rental: Long-Term Affordability

The NSP3-assisted units must meet the affordability requirements for not less than the applicable period specified below, beginning after project completion. The affordability requirements for NSP3-assisted rental units apply without regard to the term of any loan or mortgage or the transfer of ownership, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. Collier County will enforce long-term affordability through the use of a recorded lien, covenant, or deed restriction against the assisted property.

Rental housing activity Minimum period of affordability in years

Rehabilitation or acquisition of existing housing per unit amount of NSP3 funds:

- Under \$15,000 - 5 yrs
- \$15,000 to \$40,000 - 10 yrs
- Over \$40,000 or rehabilitation involving refinancing - 15 yrs
- New construction or acquisition of newly constructed housing - 20 yrs

Subsequent rents during the affordability period will be calculated and applied in conformance with 24 CFR 92.252(f).

Homeownership: Long-Term Affordability

The NSP3-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. These restrictions are a minimum and Collier County may elect to impose longer affordability periods. The per unit amount of NSP3 funds and the affordability period that they trigger are described more fully below under "Homeownership: Recapture Provisions."

Homeownership assistance NSP3 amount per-unit

Minimum period of affordability in years

- Under \$15,000 - 5 yrs.
- \$15,000 to \$40,000 - 10 yrs.
- Over \$40,000 - 15 yrs.

Homeownership: Recapture Provisions

The recapture provisions will ensure that Collier County recoups all or a portion of the NSP3 assistance benefiting the homebuyer, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. The period of affordability is based upon the total amount of NSP3 funds subject to recapture described above.

Collier County may choose to recapture the entire amount of NSP3 assistance or a reduced amount on a prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\frac{\text{NSP3 investment}}{\text{NSP3 investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{NSP3 amount to County}$$

NSP3 investment + homeowner investment

$$\frac{\text{homeowner investment}}{\text{NSP3 investment} + \text{homeowner investment}} \times \text{Net proceeds} = \text{homeowner amount}$$

Ensuring Continued Affordability:

p; Net proceeds = amount to homeowner

NSP3 investment + homeowner investment

Collier County may permit the homebuyer to recover the homebuyer's entire investment (downpayment and capital improvements made by the owner since purchase) before recapturing the NSP3 investment.

Definition of Blighted Structure:

In conformance with Section 163.340, Florida Statutes, a "blighted structure" means a structure that is deteriorated, or deteriorating, in which conditions, as indicated by government-maintained statistics or other studies, are leading to economic distress or endangering life or property, and in which two or more of the following factors are present:

- a) Predominance of defective or inadequate street layout, parking facilities, roadways, bridges, or public transportation facilities;
- b) Aggregate assessed value of real property in the area for ad valorem tax purposes have failed to show any appreciable increase over the 5 years prior to the finding of such condition;
- c) Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
- d) Unsanitary or unsafe conditions;
- e) Deterioration of site or other improvements;
- f) Inadequate and outdated building density patterns;
- g) Falling lease rates per square foot of office, commercial, or industrial space compared to the remainder of the county or municipality;
- h) Tax or special assessment delinquency exceeding the fair value of the land;
- i) Residential and commercial vacancy rates higher in the area than in the remainder of the county or municipality;
- j) Incidence of crime in the area higher than in the remainder of the county or municipality;
- k) Fire and emergency medical service calls to the area proportionately higher than in the remainder of the county or municipality;
- l) A greater number of violations of the Florida Building Code in the area than the number of violations recorded in the remainder of the county or municipality;
- m) Diversity of ownership or defective or unusual conditions of title which prevent the free alienability of land within the deteriorated or hazardous area; or
- n) Governmentally owned property with adverse environmental conditions caused by a public or private entity.

However, the term "blighted structure" or "blighted area" also means any structure or area in which at least one of the factors identified in paragraphs (a) through (n) are present and all taxing authorities subject to s. 163.387(2)(a) agree, either by interlocal agreement or agreements with the agency or by

resolution, that the structure or area is blighted.

Definition of Affordable Rents:

24 CFR § 92.252

Rents shall not exceed the Fair Market Rents (FMR) as published annually by HUD for the Naples – Marco Island Metropolitan Statistical Area (MSA). Furthermore, the maximum rent are the lesser of:

- 1) The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
- 2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.

Furthermore, when the NSP3 assisted unit is occupied by very low-income families the rent requirements are:

- 1) The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. However, if the rent determined under this paragraph is higher than the applicable rent under paragraph (1) or (2) of this section, then the maximum rent for units under this paragraph is that calculated under paragraph (1) or (2) of this section; and

The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Housing Rehabilitation/New Construction Standards:

General Standards

All NSP3-assisted housing will be required to meet or exceed local and state building codes. All units that require rehabilitation must meet or exceed the current Florida Building Code (FBC). The current code applied in Collier County is 2007 FBC.

Collier County will incorporate energy-efficient, sustainable building practices, including the use of green building to provide long-term affordability and attractiveness within the community.

Furthermore, Collier County encompasses a large coastal area that subjects the residents to the risk of hurricanes and severe flooding. As such, all NSP3-assisted housing will undergo hurricane hardening and damage mitigation, when feasible.

Required HUD Standards

In compliance with the requirements of HUD, the following standards will apply to gut rehabilitation and new construction projects. Gut rehabilitation is defined as the general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls.

- a) Residential buildings up to three stories must be designed to meet the standard for Energy Star

Qualified New Homes;

b) Mid- or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy)

In further compliance with the requirements of HUD, the following standards will apply to all NSP3-assisted housing units.

a) All rehabilitated units must meet the following standards to the extent applicable to the work undertaken:

i. Older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) must be replaced with Energy Star-46 labeled products;

ii. Water efficient toilets, showers, and faucets, such as those with the WaterSense label must be installed;

&

Housing Rehabilitation/New Construction Standards:

iii. Housing must be improved to mitigate the impact of disasters (e.g. hurricane, flooding, and fire)

HUD also encourages the adoption of energy efficient and environmentally-friendly green elements. Collier County will seek to incorporate the standards and policies of the Florida Green Building Coalition.

Vicinity Hiring:

Collier County will seek, to the maximum extent possible, to hire or cause to be hired employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project. For the purposes of NSP3, HUD defines "vicinity" as each neighborhood identified within this document as being the areas of greatest need.

The following are examples of activities that may be used to accomplish this initiative:

- Outreach to local area residents and businesses;
- Inclusion of Section 3 and other relevant language in all applicable contracts;
- Advertising of economic opportunities to local area residents and businesses

Procedures for Preferences for Affordable Rental Dev.:

Collier County will seek to implement procedures to create preferences for the development of affordable rental housing developed with NSP3 funds. For example, the County will to the best of its ability, solicit proposals from non-profit providers of affordable housing to specifically operate rental housing acquired and rehabilitated under NSP3. Additionally, the County will monitor the local housing market for eligible multi-family properties that come to market for acquisition and development as rental housing; ideally a contiguous collection of at least four (4) units will become available. This initiative will be especially important when serving the LH25 population under this activity.

Grantee Contact Information:

Collier County

Public Services Division

Housing, Human and Veteran Services

Interm Director

Kimberley Grant

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Manager of State and Federal Grants

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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	4,272,165
Total Budget	0	4,272,165
Total Obligated	\$0.00	\$4,272,165.00
Total Funds Drawdown	\$4,262.73	\$3,901,270.79
Program Funds Drawdown	\$4,262.73	\$3,513,270.79
Program Income Drawdown	\$0.00	\$388,000.00
Program Income Received	\$0.00	\$388,000.00
Total Funds Expended	\$88,808.97	\$3,990,079.76
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected):		0%
Overall Benefit Percentage (Actual):		0%
Minimum Non-Federal Match	0	0
Limit on Public Services	582,624.75	0
Limit on Admin/Planning	388,416.5	102,521.79
Limit on State Admin	0	102,521.79

Progress Toward Activity Type Targets		
Activity Type	Target	Actual
Administration	388,416.5	388,415

Progress Toward National Objective Targets		
National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	971,041.25	1,078,042

Overall Progress Narrative:

During the period, Habitat for Humanity, the developer sold an additional 2 homes. Habitat is working to redevelop the final land bank properties and resell them to NSP eligible households.

Project#, Project Title	Project Summary		
	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP3 - Admin, Administration	4,262.73	388,415	102,521.79
NSP3 - B - Acq/Rehab, B - Acq/Rehab	0	3,495,335	3,085,765.63
NSP3 - C - Land Banking, C - Land Banking	0	388,415	324,983.37

Project/Activity Index:

Project #	Project Title	Grantee Activity #	Activity Title
NSP3 - Admin	Administration	NSP1 - Admin	Administration
NSP3 - B - Acq/Rehab	B - Acq/Rehab	NSP3 - B - Habitat - A/R - LH25	Acquisition & Rehabilitation (LH25)
NSP3 - B - Acq/Rehab	B - Acq/Rehab	NSP3 - B - Habitat - A/R - LMMI	Acquisition & Rehabilitation (LMMH)
NSP3 - C - Land Banking	C - Land Banking	NSP3 - C - Habitat - Land Banking - LMMI	Land Banking

Activities