Grantee: Pinellas County, FL
Grant: B-11-UN-12-0015
July 1, 2011 thru September 30, 2011 Performance Report
Narratives

Summary of Distribution and Uses of NSP Funds:
Pinellas County will use the Neighborhood Stabilization Program 3 (NSP3) allocation of $4,697,519 for the acquisition and redevelopment of foreclosed and abandoned properties within the identified high priority areas of the County. It is anticipated that program income from these activities will occur and be utilized for additional NSP3 activities.

Pinellas County will use NSP3 funds for the following activities:

• Acquisition Rehabilitation - Single Family - 5 units - $750,000
• Acquisition Rehabilitation - Multi-Family - 25 units - $678,387.35 and $1,174,379.75 (<50% set-aside)
• Acquisition Demolition - 5 units - $375,000
• Redevelopment - 7 units - $1,000,000
• Financing (Homeownership) - 10 units - $250,000
• Administration - $469,751.90

In Pinellas County, the target areas for NSP3 were developed utilizing the HUD NSP3 Downloadable Data Files and identified properties with the Land Use Codes for the County. The identified neighborhoods had a risk score of 20, with 20 being the maximum possible.

The target areas for NSP3 were developed by identifying the census tracts with the:

• Greatest percentage of home foreclosures;
• Highest percentage of homes financed by a sub-prime mortgage related loan; and
• Areas identified as the most likely to face a significant rise in the rate of home foreclosures.

The analysis was based on the greatest percentage of foreclosures to determine that our focus would be on the scores that ranked 20. Our targeting then looked at the highest percentage of homes financed by sub-prime mortgages and foreclosures started over the past year. Pinellas County will also consider homes that meet the expanded definition of foreclosed which includes properties that have owners behind on their mortgage more than 60 days or delinquent on taxes.

Pinellas County priority areas include Central and East Lealman. The Central Lealman neighborhood has a total of 4,272 housing units, with 63% of the persons having incomes less than 80% of Area Median Income (AMI). According to the data provided with the HUD Mapping Tool, 31 properties will need either rehabilitation or redevelopment in order to have an impact on stabilizing the neighborhood. The East Lealman neighborhood has a total of 4,451 housing units in the neighborhood, with 60% of the persons having incomes less than 80% AMI. According to the data provided with the HUD Mapping Tool, 19 properties will need either rehabilitation or redevelopment to have an impact on stabilizing the neighborhood. Pinellas County will consider neighborhoods with Need Scores of 19 if we are not able to secure properties that have a Need Score of 20 within these census tracts.

How Fund Use Addresses Market Conditions:
Pinellas County will expend NSP3 funds through the following eligible activities to help address current market conditions. Single Family Acquisition Rehabilitation will help address the fact that Pinellas County has a high foreclosure rate, home values have dropped and neighborhoods are deteriorating as a result. Some areas are stabilizing; however, the Lealman area continues to be an area of need and requires assistance. The goal of Pinellas County is to revitalize the greatest need areas by improving the housing stock and stabilizing declining market in the high priority areas. Once the homes have been purchased and rehabilitated, the Homeownership Financing activity will
assist eligible homebuyers in the form of soft second financing, payment assistance to secure private mortgage insurance, loan loss reserves, shared equity and finance acquisition. Additionally, to help address neighborhood deterioration and declining values, the Acquisition Demolition activity will be used to remove blighted structures that are beyond repair. Properties acquired under the Acquisition Demolition activity will be redeveloped under the Redevelopment activity. Redeveloped housing will be sold or rented to income eligible households.

Multi-Family Acquisition Rehabilitation will help address the fact that Pinellas County has seen home values decrease and the need for rental properties increase. Some of this is largely due to the high unemployment rate for the area, resulting in a need for affordable rental housing. Central and East Lealman areas continue to be areas of need and require assistance. The goal of Pinellas County is to revitalize the greatest need areas by preserving the number of rental units available to families below 120% of AMI.

Ensuring Continued Affordability:

Pinellas County will ensure long term affordability through the use of Land Use Restriction Agreements (LURA) that will be recorded 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 the properties that are assisted with NSP3 funds during the affordability period to ensure that the specified units are affordable. This will be done utilizing the standards established with the HOME Program. In addition, all properties receiving NSP3 funding will be secured by a recorded mortgage on the property.

The minimum threshold that will be used to ensure long term affordability will be consistent with the guidelines of the HOME Program as defined in 24 CFR 92.252(e). In some instances, the affordability requirements may be increased at the discretion of Pinellas County based on the amount of subsidy being provided to the recipient.

Definition of Blighted Structure:

For purposes of determining blighted structures to be assisted with NSP3 funding, blighted structure will be defined as any structure unfit for use, habitation, or dangerous to persons or other property. In addition, a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. This includes structures showing evidence of physical decay or neglect, excessive use, or lack of maintenance.

Definition of Affordable Rents:

Affordable rents shall be defined as the standards established under the HOME Program and referenced in 24 CFR 92.252(a) (b) and (c). Projects identified to serve families at or below 50% AMI will have rents that do not exceed the established rents published annually by HUD.

Housing Rehabilitation/New Construction Standards:

Pinellas County will utilize the housing rehabilitation standards, which exceed the minimum code requirements, as described in the Pinellas County Community Development policies. Properties will be rehabilitated to standards that comply with applicable laws, codes and other requirements of Pinellas County Community Development’s Minimum Standards for Rehabilitation of Residential Properties. Pinellas County will incorporate modern, green building and energy-efficiency improvement standards, whenever feasible, to provide for longer-term sustainability.

Vicinity Hiring:

Pinellas County will identify and solicit contractors for participation in NSP3. Identification of potential contractors will be completed through the Request for Qualification process. Additional outreach methods, such as identifying contractors through local advertising and/or direct mailing to identify contracts that reside in our priority neighborhoods will be completed. Preference will be given to vicinity contractors to the extent that they are comparable bids. The contracts established with contractors include language that includes preference for utilizing vicinity contractors when soliciting sub-contractors or hiring new employees.

Procedures for Preferences for Affordable Rental Dev.:

Based on information provided by Pinellas County, and in order to make an impact on the identified areas, preference for NSP3 projects will be for the development of affordable rental housing. The data provided shows that the priority areas selected have 126 multi-family units with a land use code that signifies 4-9 units per structure. In addition, there are 630 duplexes and 176 triplexes within the neighborhood. There are also some larger developments which include 552 units with 50 or more units within the development and 244 units with 10-49 units within the development.

Although there are a large number of multi-family rental units in the Lealman area, it will be important to identify those rental units that are currently in foreclosure. The Multi-Family Acquisition Rehabilitation activity, which focuses on rental developments, will be a priority of the County; however, single-family acquisition and rehabilitation will also be completed. Data collected from NSP acquisitions have indicated that although there are numerous duplexes and triplexes classified as rental property, investors are getting to the properties before we are able to secure them.

Grantee Contact Information:
Sheri Harris, Compliance Manager
Pinellas County Community Development
600 Cleveland Street, Suite 800
Clearwater, FL 33755
727.464.8210
sharris@pinellascounty.org
During the quarter, Pinellas County continued property screening and evaluation reviews. To date, no properties have been identified which meet Pinellas County NSP program criteria and therefore, no offers have been made for property acquisition. The overall number of foreclosed properties available for screening during the past two quarters has been significantly lower than during the previous year of NSP1 program implementation. The low number of foreclosure filings combined with the smaller geographical target area for NSP3 eligibility limited acquisition opportunities during the quarter.

> Pinellas County staff received four inquiries from housing development industry professionals regarding NSP3 funds available for redevelopment projects within the NSP3 targeted community. Two potential redevelopment sites have been identified. Corresponding applications for funding assistance are anticipated to be received during the
The Housing Finance Authority of Pinellas County (HFA), under contractual agreement with Pinellas County for implementation of the NSP3 activities, initiated service procurement steps during the quarter. Services required include property appraisal, inspections, construction and remodeling, demolition, title services, and property maintenance. The Request for Qualifications process gives preference to vicinity contractors.

### Project Summary

<table>
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<tr>
<th>Project #, Project Title</th>
<th>This Report Period</th>
<th>To Date</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Program Funds</td>
<td>Project Funds</td>
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<td>Drawdown</td>
<td>Budgeted</td>
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<td>ADMIN, Administration</td>
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<tr>
<td>AR Program, Acquisition &amp; Rehabilitation</td>
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### Activities
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**Activity Description:**

NSP3 funds will be used to pay reasonable program administration costs related to the planning and execution of the identified activities being proposed for Pinellas County. This includes costs related to staffing for overall program management, coordination, monitoring, reporting, and direct and indirect costs.

**Location Description:**

N/A

**Activity Progress Narrative:**

During the quarter, the Community Development Department continued to conduct project management and compliance activities.

**Accomplishments Performance Measures**

No Accomplishments Performance Measures found.

**Beneficiaries Performance Measures**

No Beneficiaries Performance Measures found.
Activity Locations
No Activity Locations found.

Other Funding Sources Budgeted - Detail
No Other Match Funding Sources Found

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