

Grantee: Clearwater, FL

Grant: B-11-MN-12-0031

January 1, 2012 thru March 31, 2012 Performance Report



Grant Number:

B-11-MN-12-0031

Obligation Date:**Award Date:****Grantee Name:**

Clearwater, FL

Contract End Date:

03/10/2014

Review by HUD:

Reviewed and Approved

Grant Amount:

\$1,385,801.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$1,385,801.00

Disasters:**Declaration Number**

No Disasters Found

Narratives**Summary of Distribution and Uses of NSP Funds:**

The NSP 3 Program is designed to stabilize neighborhoods that have been and continue to be damaged by the economic effects of properties that have been foreclosed or abandoned. The program integrated the following principals:

* Retain the Community Development Block Grant distinctive requirements

>* Target and reconnect neighborhoods

>* Rapidly arrest neighborhood decline

>* Assure deep targeting requirements

>* Ensure continued affordable housing

>* Support projects that optimize economic activity

>* Build inclusive and sustainable communities

>* Leverage resources

The NSP 3 Program has established five allowable housing strategies for funding. They include using the funds for: 1) housing-related financing mechanism, 2) acquisition and rehabilitation, 3) land banking, 4) demolition, and 5) redevelopment. It is proposed that the City use its funding in following manner:

>Activity	Amount	# of Units Assisted
>Housing Related Financing Mechanism	\$ 350,000	6
>Acquisition and Rehabilitation	\$ 397,220	4
>Redevelopment	\$ 500,000	&nbs

Summary of Distribution and Uses of NSP Funds:

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>Administration	\$ 138,581	
TOTAL	\$1,385,801	20

>The City reserves the right to reallocate funding totals and number of units from one activity to another in order to respond to market opportunities and/or meet designated timeframes for expenditures of funds.

How Fund Use Addresses Market Conditions:

The City first examined areas in our neighborhood revitalization areas. The purpose was to continue to stabilize the area where the city has already invested financial resources. The City then viewed the resources outlined in Appendix A: Data Sources of the NSP Design Guidebook. From this information, the City was able to use the NSP 3 Mapping Tool to determine neighborhoods with the greatest need by mapping a wide range of areas. The Mapping Tool provided the score ranges for areas with the greatest need. The City chose the areas with the highest targeted scores of 19 and 20 and areas where the amount of NSP 3 allocation can address the needs to stabilize the neighborhoods.

Additionally, the City targeted areas where there has been prior investment through the National Stabilization Program 2 (NSP 2).

The City has determined that projects in the following areas may qualify to receive assistance:

Stevens Creek/North Greenwood Area

The Stevens Creek/North Greenwood Area was selected to continue the city's efforts to stabilize the community. The City's initial investment in the area was in February 2008 when the Clearwater Housing Authority received permission from HUD to sell its deteriorated Homer Villa Public Housing Complex. Through the efforts of the City and Pinellas County, we were able to assist Habitat for Humanity of



Pinellas County in obtaining ownership of the 9.8 acre parcel of land. The City contributed \$725,000 toward the acquisition and demolition. Pinellas County provided \$1.425 million dollars for land acquisition, engineering and site construction. As the property lay vacant, the City again partnered with Pinellas County to identify a financing strategy to build 51 new single-family homes on the vacant property. This redevelopment project will have an estimated \$8.415 million dollar project cost. The project will provide housing opportunities for fifty-one Habitat for Humanity families with income between 30% and 80% of area median income. Funding through the NSP 2 Program provided a construction loan in the amount of \$2.340 million dollars to build 18 new housing units.

The East Gateway Area

The East Gateway Area was selected to continue the efforts made when the City established it as a HUD Neighborhood Revitalization Strategy Area. Through the efforts identified in the five year strategy, the area will continue to be developed as a low to medium density residential neighborhood supported with housing, neighborhood commercial and professional offices. To help redevelop this community, the City has established and funded a Façade and Building Improvement Program to provide incentives to businesses for public-private investment. The City committed \$80,000 as redevelopment stimulus through the Community Development Block Grant & Recovery Program. An additional \$142,000 was provided through the Recovery Program in this area for side walk improvements. In housing development, the City hopes to turn a \$700,000 Community Development Block Grant Program loan into a \$7 million dollar investment in affordable housing for this area. The planned development, Country Club Homes, includes 31 new affordable townhomes. NSP 2 funding in the amount of \$1.5 million dollars will be used as construction financing to begin building of the community project. The homes include three bedrooms, 2.5 bathrooms and two car garages. Recently, the City purchased a dilapidated hotel that was an eye sore in the community and a place of many Police calls for service. The City purchased the property for \$1.675 million dollars with funding through the Community Redevelopment Agency. The 2.2 acre property was demolished and land banked for future redevelopment.

How Fund Use Addresses Market Conditions:

The City is continuing their efforts to rehabilitate homes and develop infill housing in the South Greenwood Area. In FY 2009-2010 the City provided funding for two infill housing loans, two down payment assistance loans, and one rehabilitation loan. In 2004, utilizing \$2.9 million dollars in general funds, the City built an aquatic/recreation complex, a skateboard park, a fishing pier on Lake Belleview and new baseball fields. In 2008, utilizing \$200,000 raised from grants and corporate sponsors, the City partnered with an international organization, Let Them Be Kids, to design and construct a playground at the Ross Norton Recreation Complex. In 2010, utilizing \$1.8 million in general funds, the City completed the Lake Belleview Stormwater Improvement project that included major improvements to Lakeview Road. In 2010, renovations were completed at the Ross Norton Baseball Fields to include bullpens, sod, irrigation and the reworking of the pitching mounds. In 2010, plans were being developed to install traffic calming devices throughout South Greenwood per the request of the neighborhood to improve safety for pedestrians. The City of Clearwater is in the process of partnering with Pinellas County Community Development Department for the acquisition of Norton Apartments utilizing funding through the NSP 2 Program. This \$1.8 million dollar investment in a foreclosure acquisition helped to save 48 Housing Choice Vouchers from expiring and will provide rental opportunities for 48 low to moderate income families.

>South Greenwood Area

The Borrower will maintain the affordability of the real property for thirty (30) years beginning on the date of the mortgage. Should the Borrower sell the property to any willing buyer at whatever price the market will bear, the sale will trigger repayment. Throughout the thirty (30) year life of the mortgage, if the Mortgagor should sell, refinance, transfer ownership, the entire original loan balance, during the affordability period, is due and payable to the City. The City will use the recapture method to obtain these funds.

Ensuring Continued Affordability:

Continued affordability that at a minimum is at least as strict as the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254. HOME program standards can be used as a safe harbor, but if an alternative standard is applied it must be equal to or exceed the HOME standard.

>Recaptured funds are NSP 3 funds which are recouped by the City when NSP 3 assisted housing unit does not continue to be the principal residence of the assisted homebuyer for the full affordability period. The recapture provision is subject to the limitation that when the recapture requirement is triggered by a sale, voluntary or involuntary, if the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the NSP 3 investment due, the City can only recapture the net proceeds, if any. The net proceeds are the sales price minus the superior loan repayment and closing costs.

The Borrower will maintain the affordability of the real property for thirty (30) years beginning on the date of the mortgage. Should the Borrower sell the property to any willing buyer at whatever price the market will bear, the sale will trigger repayment. Throughout the thirty (30) year life of the mortgage, if the Mortgagor should sell, refinance, transfer ownership, the entire original loan balance, during the affordability period, is due and payable to the City. The City will use the recapture method to obtain these funds.

Definition of Blighted Structure:

Blighted structures are a structure(s) that exhibit objectively determinable sign of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

Definition of Affordable Rents:

HOME program standards can be used as a safe harbor, but if an alternative standard is applied it must be equal to or exceed the HOME standard.

>Affordable rents are defined by the HUD Fair market rents published annually by HUD for the Tampa, St. Petersburg SMSA. The FY 2010

Fair Market Rates are as follows:

0 Bedroom	\$714
> 1 Bedroom	\$793
> 2 Bedroom	\$959
> 3 Bedroom	\$1,215
> 4 Bedroom	\$1,467



Housing Rehabilitation/New Construction Standards:

The rehabilitation and new construction standards that will apply for NSP-assisted projects must be included in the Action Plan. Specifically, HUD requires that:

- >o All gut rehabilitation or new construction (i.e., 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) of residential buildings up to three stories must be designed to meet the standard for Energy Star Qualified New Homes.
 - >o All gut rehabilitation or new construction of mid -or high-rise multifamily housing must be designed to meet American Society of Heating, Refrigerating, and 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).
 - >o Other rehabilitation must meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.
 - >o Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.
 - >o Where relevant, the housing should be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires).
 - >o The City’s Rehabilitation Program Guidelines and Standards can be located at www.myclearwater.com/econdev
- HUD also encourages the adoption of energy efficient and environmentally-friendly green elements as part of NSP3 program design. Attachment C to the NSP3 Notice describes in more detail how energy efficient and environmentally-friendly green elements can be incorporated and additional tools on incorporating green rehabilitation standards can be found on the NSP Resource Exchange at www.hud.gov/nspta.

Vicinity Hiring:

The City shall make special outreach efforts to ensure that residents or businesses located in the NSP 3 Vicinity (each neighborhood identified by City in its NSP 3 Action Plan as areas with the greatest need) are afforded an opportunities to be employed through projects funded through the NSP 3 activities. To show documentation of affirmatively hiring businesses from the vicinity the contractor, subrecipient, or subcontractor shall place qualified vicinity businesses on its solicitation list and if economically feasible, divide the job scope into smaller tasks to increase local participation. In addition, the contractor, subcontractor, or subrecipient shall place signs at the site and vicinity regarding hiring/subcontracting opportunities on the project. Copies of these efforts must be maintained for compliance. Contractors, subcontractors and subrecipients must adhere to the Section 3 Program requirements.

Procedures for Preferences for Affordable Rental Dev.:

Local Rental Preference &ndash LH25 Activity - The City will use the services of the local housing authorities and other established low income housing providers to assist the City in developing, managing or providing assistance to low to moderate income tenants (50% or less of AMI) who occupy housing units assisted with NSP 3. Assistance may be in the form of a Section 8 Certificate/Voucher, Tenant Based Rental Assistance, or other rental assistance and/or in the form an affordable rental unit where the rent is affordable to low to moderate income person or families whose income is less than 50% of area median income. The City will set aside 25% of the funds allocated through the NSP 3 program for these efforts.

Total funds set aside for low-income individuals = \$346,451

Grantee Contact Information:

City of Clearwater Economic Development and Housing Department

Location

>112 South Osceola Avenue

>Clearwater, Florida 33756

Administrator Contact Info

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Michael Holmes

>727-562-4032

>Michael.Holmes@myclearwater.com

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,385,801.00
Total Budget	\$0.00	\$1,385,801.00
Total Obligated	\$0.00	\$885,800.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$207,870.15	\$0.00
Limit on Admin/Planning	\$138,580.10	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$138,580.10	\$138,580.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$346,450.25	\$346,450.00

Overall Progress Narrative:

Loan commitment approval has been obtained for the Sunset Point Apartments by Boley Inc. in the amount of \$346,451. The project is anticipated to close by the end of May 2012.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP - 0001, NSP 3 Administration	\$0.00	\$138,580.00	\$0.00
NSP - 0002, Financing Mechanism	\$0.00	\$350,000.00	\$0.00
NSP - 0004, Redevelopment of demolished or vacant properties	\$0.00	\$153,551.00	\$0.00
NSP - 0004, Acquisition and Rehabilitation	\$0.00	\$397,220.00	\$0.00
NSP - 0005, Redevelopment - low income set aside	\$0.00	\$346,450.00	\$0.00



