

# The Pasco County COMMUNITY DEVELOPMENT UPDATE

VOLUME 17, ISSUE I

JANUARY 2009

## The Neighborhood Stabilization Program

(AKA \$19,495,805 in new

housing assistance) is almost here!

Training is scheduled for Lenders and Realtors:

<b>February 17, 2009</b>	<b>10:00 AM</b>	<b>February 26, 2009</b>	<b>10:00 AM</b>
<b>West Pasco Board of Realtors</b>		<b>Historic Courthouse</b>	
<b>5409 Sunset Road</b>		<b>37918 Meridian Avenue</b>	
<b>New Port Richey</b>		<b>Dade City</b>	

<b>February 18, 2009</b>	<b>10:00 AM</b>	<b>March 6, 2009</b>	<b>10:00 AM</b>
<b>Historic Courthouse</b>		<b>West Pasco Government Center</b>	
<b>37918 Meridian Avenue</b>		<b>7530 Little Road</b>	
<b>Dade City</b>		<b>New Port Richey</b>	

**February 20, 2009**      **10:00 AM**  
**Land O'Lakes Community Center**  
**5401 Land O'Lakes Boulevard**  
**Land O'Lakes**

**February 23, 2009**      **2:00 PM**  
**West Pasco Board of Realtors**  
**5409 Sunset Road**  
**New Port Richey**



For more information, contact the Pasco County Community Development Division at

(727) 834-3445	New Port Richey
(352) 567-6581 ext 3445	Dade City
(813) 996-7341 ext 3445	Land O'Lakes

On July 29, 2008, President Bush signed the Housing and Economic Recovery Act of 2008. Among the provisions of the bill is an appropriation of \$3.9 billion for local governments for the redevelopment of abandoned and foreclosed homes and residential properties, named the Neighborhood Stabilization Program (NSP).

This program is available to households that earn up to 120% of the median income for the Tampa Bay area (\$67,800 for a family of 4). However, 25% of the funds must be spent for households that earn less than 50% of the median income for the Tampa Bay area (\$28,250 for a family of 4). As program income is received in the future, 25% must be set aside for households that earn less than 50% of the median income. Ten percent of funds may be used for administrative costs. Three types of residential property can be assisted:

Abandoned homes – A home is abandoned when mortgage or tax foreclosure proceedings have been initiated, and no mortgage or tax payments have been paid for at least 90 days, and the property has been vacant for at least 90 days.

Foreclosed property – A property is foreclosed when the foreclosure or tax deed sale is complete.

Vacant land.

Properties that are sold to new homeowners cannot have a purchase price more than the cost to acquire, redevelop and rehab the property. Properties must be purchased according to the acquisition regulations of the Uniform Relocation Act. Land and homes must be purchased for at least 5% less than the appraised value; however, the aggregate discount for all properties assisted must be 10-15% less than the appraised value.

Funds must be targeted to areas of greatest need, which is defined as areas of high foreclosures, subprime loans, and areas that may have a great increase in the number of foreclosures. Those areas are generally Port Richey, New Port Richey, Holiday, Hudson, and the areas surrounding Dade City and Zephyrhills.

Use of funds:

Pasco Opportunity Program (POP) – the current POP provides funding for ten agencies to acquire, rehabilitate and construct homes for low income households. These agencies work with the County to rehab these properties and find households for purchase. This has been funded principally through the State Housing Initiatives Partnership (SHIP) Program. The program will be now funded through the NSP. It is anticipated that the homes targeted for purchase will be the worst eyesores and most blighted areas in the community. Targeting these houses will improve neighborhoods and bring unproductive and unhealthy houses back to the market. Homebuyers will receive a subsidy not to exceed 50% of the sales price from the County in the form of a 0% loan. This includes homebuyer counseling.

Homebuyer Assistance Program (HAP) – Downpayment assistance will be provided to individuals purchasing foreclosed and abandoned homes. Assistance will be up to \$20,000, in the form of a 0% loan. Extra funds are available to families of essential service workers and families earning less than 50% of the median income. This includes homebuyer counseling.

Special Needs Housing – Rental housing will be made available to those that are in the most need, such as those with physical, mental and developmental handicaps, and those transitioning from homelessness. Agencies selected will not only manage the properties, but provide supportive services to their clients. Since profits are not allowed under the program, all rental income must be reinvested in the program, or kept as repair reserves for the building. This housing will be placed in areas closest to bus lines and employment, depending on the needs of the clients.

Demolition – Funds will be used for demolition of foreclosed and abandoned homes. For abandoned homes, the County has not proceeded in the past towards demolition because of the necessity of expending funds for legal work to get involved in those cases. After demolition, the County may proceed in foreclosing on those lots.

Construction – Funds can be used for the construction of new homes. Money will be used by POP agencies for the construction of new homes on vacant lots. This includes homebuyer counseling.