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# Lakeland, Polk to Get Funds for Houses

## HUD to release \$16.5 mil. to buy, renovate, sell homes.

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THE LEDGER

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LAKELAND | A national program to preserve neighborhoods hit hard by foreclosures is about to go to work in Polk County.

Polk and its largest municipality, Lakeland, are set to receive millions in federal dollars to buy a growing stockpile of foreclosed homes, to give them makeovers and to sell them at a discount to qualified buyers.

The U.S. Department of Housing and Urban Development is expected to release the money in about two to three weeks. Lakeland was singled out because it met HUD's criteria as an area of greatest need.

In its calculations, HUD considered regions with excessive foreclosures, including homes financed by subprime mortgages and those in default or behind in payments.

The approximately \$16.5 million from the federal Neighborhood Stabilization Program I will be used to buy an estimated 116 homes in nearly a dozen communities across the county with large



concentrations of foreclosures:

Polk County will receive \$14.5 million. The money will be spent in Auburndale, Eaton Park, Inwood, Jan Phyl Village, Kathleen, Poinciana, South Lake Wales, Wahneta and the area of Combee Road and Wabash Avenue.

Lakeland will receive \$2 million. Most of that money will be spent in the northwest area of the city.

By reinvesting sales proceeds, officials say they'll perhaps be able to buy another 100 or more homes over the next four years.

"I'm really pumped about this," said Jeff Bagwell, executive director of Keystone Challenge Fund, a nonprofit home lending and counseling agency that will oversee purchases, renovations and mortgage applications.

"We're going to get these homes bought and sold and rehabbed as quick as possible so we can turn them around and buy new units," he said.

The county also is applying for another \$15 million in NSP II funds to buy more foreclosed houses.

Buyers must meet federal income guidelines, but the guidelines are fairly liberal and include families at or below 120 percent of area's median income.

For instance, a family of four living in Polk can earn up to \$62,640 per year and qualify for a home.

All buyers must take eight hours of instruction on the do's and don'ts of home ownership and household budgeting so they can keep up with their payments, said Greg Alpers, Polk's director of housing and neighborhood development.

"You're helping individuals who need to have a safe, secure home," he said.

About one-fourth of the homes will be turned into affordable rentals for poor people who have annual incomes at or below 50 percent of the

area's medium income.

Additional homes will be donated to local nonprofits like the Salvation Army and Peace River Center as temporary housing for the homeless or victims of rape or assault.

NSP I, a holdover from the Bush administration, and NSP II, which uses money from the stimulus package signed by President Obama, will seed nearly \$6 billion nationwide to combat blight and other troubling effects of foreclosures.

Polk, unlike larger communities such as Cleveland and Miami, has yet to be hit hard by the foreclosure crisis. For instance, there have been no reports of large-scale looting or criminal mischief in abandoned homes, Alpers said.

But without programs like NSP, the numbers of foreclosed properties in Polk will continue to mount.

Projections are for 11,846 foreclosure filings in Polk this year, compared with 9,467 for all of last year, Alpers said.

Some of the people who lost their homes to foreclosure may be eligible to buy subsidized homes if they meet all the requirements.

Alpers and other local housing officials are aware of the pitfalls of other federally subsidized initiatives to make homeowners of the poor and working poor.

The Lakeland Housing Authority, for instance, has been unable to find qualified buyers at its HOPE VI developments, where as many as 20 home sites remain unsold.

But NSP is expected to make the process of buying affordable homes much easier, officials said, and includes added incentives like assistance with down payments, upgrades to energy-efficient appliances, landscaping and even a new roof.

"Some of these houses are brand new and just need \$3,000 to \$4,000 to finish them out," Bagwell said. "If an air conditioner has three to five years on it, we'll put a new A/C in there."

With so many homes flooding the market because of foreclosures, people should have plenty of options to choose from.

Keystone and Swan Development Advisors, which will handle the administration end of the program, are working with Realtors and banks to identify homes that have been foreclosed.

In addition, applicants can find homes on their own and submit them to Keystone for consideration.

Brian Rewis, manager of Lakeland's neighborhood services division, said he hopes to be able to buy and rehabilitate 16 or more homes with the roughly \$2 million in NSP I funds designated for Lakeland.

Of those, about five homes may be given to the Lakeland Housing Authority to increase its stock of public housing for the poor.

Any income from home sales or rentals will be reinvested for the purchase of additional properties, Rewis said.

"That puts the Housing Authority in a really sweet position," he said. "They've got the unit free and clear."

Because the key is to stabilize neighborhoods, many of the homes selected for purchase will be those near entrances to subdivisions, or those with poor curb appeal. The homes will receive makeovers to improve looks and to give a positive impression that may spur even more sales on the open market, said Bruce Lyon, who owns Swan Development.

More information can be found at [www.polkhousing.com](http://www.polkhousing.com). Eventually, all of the homes for sale will be featured on the Web site, along with more information relevant to down payments.

"It's going to take time for the program to evolve," Alpers said. "Over time, you're going to see stabilization kicking in."

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