


Polk Neighborhood Stabilization Program Nuts and Bolts

 July 18th, 2009 11:33 am | by [Chuck Welch](#)

Some news is best delivered in bits and pieces...like our series of articles on red light cameras. Each commission meeting, each interview with the players, added a new view of the cameras and how they'd make a difference in our community. Sometimes, it's best to start with the framework and add the details later. The red light camera series was a collection of traditional news articles, analysis, and commentary.

That will also be true of our coverage of the [Polk Neighborhood Stabilization Program](#) (Polk NSP). Congress passed the Housing and Economic Recovery Act of 2008 to give \$4.92 billion dollars to local communities to acquire and redevelop foreclosed properties. Approximately \$14.5 million was given to Polk County to purchase and rehab at least 61 homes in the county. That program became Polk NSP. This week the organization announced they were open for business. Familiar with the process to this point, we met with the two principals to discuss the project.

The Goal

The goal of Polk NSP is to remove foreclosed, empty, or blighted homes from the market and place these homes in the hands of homebuyers who can afford to live in them. No one can purchase the inexpensive homes and flip them. The homebuyers must agree to live in the homes for a set number of years. Polk NSP will target 10 areas of the county that are in greatest need of help. These are low to moderate income communities hit hardest by the recent recession.

The Companies

The county commissioners chose not to implement Polk NSP on their own, but instead brought in development experts to manage and implement the program. They allowed various organizations to apply to manage the funds. In the end, they chose the process offered by a team of two Polk County organizations.

Swan Development Advisors will manage the program. The company, headed by Bruce Lyon, will undertake all of the paperwork needed to satisfy U.S. Department of Housing and Urban Development (HUD). The company managing home rehabilitation, and handling training prospective home owners will be the [Keystone Challenge Fund](#). Since 1991, Jeff Bagwell, President and Executive Director of the Fund, has worked in Polk County to provide education and affordable financing to low and moderate income homeowners.

To insure proper management of the funds, the two organizations proposed a unique method. HUD sets strict limits on how much of the money is used for administration and how much for home purchase and rehabilitation. Rather than mix the two amounts, Swan will simply get the administration funds, and Keystone the rest. The company will use a third-party, [Baylis & Company CPA](#), to manage fund distribution.

The Homes

Polk NSP has already started the home buying process. They are bidding on the purchase of homes in 10 targeted areas in Polk County. Those areas were chosen as they exhibit a greater than average number of foreclosures, financed through a higher numbers of subprime loans, and are likely to face further foreclosures through loan defaults.

Homes can be purchased only if they meet certain criteria of location, condition, and price. Polk NSP hopes to demolish only a few "blighted" homes. The rest will be rehabbed to specific standards. Lyon mentioned they will replace roofing and appliances if the items have only a few years of life left. He and Bagwell emphasized they want to make sure new homeowners aren't faced with such large replacement expenses in their new homes.

In addition to selling homes, Polk NSP will purchase and rehab a certain number of dwellings to be offered as rentals. The cost of the rentals will be based on the Fair Market Rents (FMR) index. Currently, Polk County FMR for a two-bedroom dwelling is \$720.

The Polk NSP goals for the dwellings are:

Acquisition/Rehabilitation/Financing/Resale for Homeowners (Activity 1):
 20 units for moderate-income households (≤ 80% Area Median Income — AMI)
 41 units for middle-income households (≤ 120% AMI)
 Timeline is January 2009 through July 2013.

Acquisition/Rehabilitation/Financing/Resale for Single- or Multi-family Housing (Rentals) (Activity 2):
 50 units for low-income households (≤ 50% AMI)
 Timeline is January 2009 through July 2013

Demolition of Acquired Foreclosed Upon Homes and Redevelopment (Activity 3) (Includes demolition and redevelopment strategies)

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Lakeland Takes Rubber Match Against Dunedin 11-8











July 17: Dunedin 8 - Lakeland 11
[Box Score](#) | [Game Recap](#)

	1	2	3	4	5	6	7	8	9	R	H	E
Dunedin	2	0	1	0	0	1	0	5	0	8	9	1
Lakeland	0	4	0	0	3	2	2	0	x	11	14	2


[Game Photos](#)

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Lakeland, Florida news and information we post on Twitter.

-  [Lakeland Flying Tigers Lead Charlotte 2-1 in the middle of the 3rd. You can listen to the Stone Crab radio feed here: http://bit.ly/ZYPOc](#)
Jul 18 4:07 pm
-  : [Stone Crabs Travel to Lakeland](#)
<http://bit.ly/10CWAT> *Jul 18 1:53 pm*
-  : [Polk Neighborhood Stabilization Program Nuts and Bolts](#) <http://bit.ly/KwO2O> *Jul 18 9:33 am*
-  : [After Moonset on the Phu Cuong Bridge](#)
<http://bit.ly/qPvuG> *Jul 18 7:47 am*
-  : [Lakeland Takes Rubber Match Against Dunedin 11-8](#) <http://bit.ly/Kg9Jh> *Jul 17 7:25 pm*
-  [After 7, Lakeland Flying Tigers lead Dunedin Blue Jays 11-4 | LFT scores in 5th, 6th, and 7th | #lkl](#) *Jul 17 7:05 pm*
-  [After 4.5, the Lakeland Flying Tigers lead the Dunedin Blue Jays 4-3](#) *Jul 17 5:33 pm*
-  RT @LakelandDDA [Qualifying period for LDDA Board seats has changed. Now is July 27-31. Details: http://tinyurl.com/n7v2oz | #lkl](#) *Jul 17 12:40 pm*
-  RT @markthewanderer: [Busted by a RLC for not making a complete stop as I made a R turn at Beacon& FL. Cost me \\$125. Hate those %#* cameras!!](#) *Jul 17 10:01 am*
-  @DavySunshine [You're the Dunkin Donuts expert... have you tried the Frozen Cappuccino?](#) *Jul 17 7:00 am*

[ARTS IN LAKELAND](#)

-  [Artist Coming to PMoA's Exhibition Reception](#)
13 Jul
I hope you've been over to PMoA to see the new exhibitions. One of them, Silver Linings: Delicate

22 units for low-, moderate-, and middle-income households (≤ to 120% AMI)
 Timeline is January 2009 through July 2013

When a home is sold, the purchase price is returned to the Polk NSP coffer and used to purchase and rehab another home for sale. Lyons said that the lower-than-expected prices of the homes will enable Polk NSP to purchase, rehab, and sell more than the expected 61 homes.

The Targeted Areas

The following 10 communities are the target areas for Polk NSP. The links lead to PDF maps of the areas.

[Auburndale](#), [Combee / Eaton Park](#), [Inwood / Jan Phyl Village](#), [Kathleen](#), [South Lake Wales](#), [Poinciana](#), [Wabash](#), [Wahneta](#)

The Financing

Homebuyers who meet income eligibility requirements are given considerable help by the program. First, the homes are sold at the lower of the appraised value or amount Polk NSP has put into the home (purchase price plus rehabilitation costs). Lyon mentioned they are bidding for homes that are far below the normal costs. This enables Polk NSP to sell the houses at a greatly reduced price.

Bagwell also mentioned that the program allows Polk NSP to help homeowners with funds for principle reduction. This gets the lower income buyers in with little personal up-front funds. This doesn't mean the program is placing people in homes they can't afford. Polk NSP will target low (<%50 of AMI) to moderate (<%80 of AMI) income households, but will use standards to place people with home payments that are affordable for their income level.

It also doesn't mean anyone can buy a home and flip it for more than they paid. According to Lyons, the County will maintain a second mortgage on each home to forestall that option.

In addition, Bagwell said the prospective homeowners must attend [education classes](#) that cover every aspect of home purchase and loan repayment.

The Sellers and the Vendors

In addition to helping the low-to-moderate income families, Polk NSP is geared to help area banks and contractors. Banks are able to move foreclosed homes off their books, and area contractors will be given the opportunity to bid on rehabbing the Polk NSP homes.

Conclusion

Polk NSP is just beginning. Their proposal looks strong, and the goals are lofty, but achievable. Over the next few weeks, we will continue to follow Lyon, Bagwell, and the Polk NSP staff to report on the progress of the project. Longer articles on the details of the home purchase and rehab process will follow. Expect a detailed article on the numbers of Polk NSP. What income levels are needed for approval. We'll sit in on the education program for home buyers. Like the red light camera story, we'll see Polk NSP evolve over the next few months.

We're starting coverage at both [Lakeland Local](#) and [Metro I4 News](#), but expect the majority of the articles to publish at [Mi4](#).

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 I recently found out that Polk Museum of Art had been nominated for the Nickelodeon Parents' Pick Awards, and while I was doing research to find out exactly which categories the Museum was in, I dis. [...]

 [Studio 305 Presents Second Theatrical Production](#) 10 Jun
 A couple of weeks ago, I posted about Studio 305, the new theater group operating out of Florida Dance Theatre on Main Street. I went to one of the performances of A Zoo Story, and I was really impres. [...]


 [Art-O-Mat at PMoA](#) 9 Jun
 Today's short but sweet post: Polk Museum of Art has a fun new "toy" in its lobby. It's an Art-O-Mat — an old cigarette machine that has been refurbished to dispense original pieces of art f. [...]


 [Summer Themed Sidewalk Art Competition at First Friday](#) 1 Jun
 Just for the fun of it, Polk Museum of Art has gotten together with Explorations V and the Downtown Lakeland Partnership to create lots of fun stuff for First Friday (this Friday, the 5th!). One of. [...]


 [Studio 305 Opens With "Edgy" New Theatre Productions](#) 29 May
 There's a new theatre company in town that's operating a little under the radar right now, but hopes to grow into something larger. Studio 305 is an outgrowth of Florida Dance Theatre that intends. [...]


 [Polk Museum of Art Announces Reduced Summer Hours](#) 21 May
 Polk Museum of Art is going to reduce its hours for the summer again this year. These hours will be in effect June 8 - August 31: Tuesday - Saturday 10am - 4pm. Closed Sundays, Mondays, and major holi. [...]


METRO I4 NEWS

 [How the Moon Landing Felt From the Phu Cuong Bridge](#) 18 Jul
 Monday marks the 40th anniversary of the moon landing of Apollo 11. For my father, Bill Townsend Jr., this entire summer marks the 40th anniversary of his service in Vietnam. In about three weeks, he . [...]

 [The Sunday Chat Shows For July 19](#) 17 Jul
 The Senate confirmation hearings for President Obama's first United States Supreme Court justice candidate and his health care reform plan topped the news scene this week, so obviously those issues. [...]

 [In Case You Haven't Read It Yet...](#) 14 Jul
 There are a couple of interesting bits from the world of local politics... First, it seems as though the Republican Party of Florida is clearly playing favourites in the race for Commissioner of Agric. [...]

 [Religion in the City: The First 13 Columns](#) 13 Jul
 Cris Craig wrote 13 Religion in the City columns for our sister publication, Lakeland Local. We're offering this handy list for those who might have missed a column or two... Continue reading Religi. [...]

 [Ultimately, All Politics is Personal](#) 13 Jul
 Last week, over at Lakeland Local, I quite publicly labeled a letter-to-the-editor written by a Medicare recipient as the "dumbest letter ever written to The Ledger." The author had railed against. [...]