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TAMPA - A local nonprofit has received \$50 million in federal grants to buy, rehabilitate or demolish foreclosed and abandoned homes in Pasco and Pinellas counties.

A partnership between Tampa-based Neighborhood Lending Partners and nine [member banks](#) was awarded the money by the U.S. Department of Housing and Urban Development.

"We project we can impact over 1,700 residential units," said Debra Reyes, president and CEO of Neighborhood Lending Partners. "This is great news."

The money should be flowing by May or June at the latest, she said.

The money comes from the federal [Neighborhood Stabilization](#) program. The money is part of \$2 billion going to states, [local governments](#) and non-profits in hard-hit communities.

As non-profit agencies working with county housing programs buy foreclosed homes, the houses will be rehabilitated and sold to individuals who qualify. Some may also receive a zero-interest loan that can be used as a down payment.

The influx of cash is envisioned as boosting workers in real estate, including title companies and appraisers, and construction and landscaping firms, Pinellas County Commissioner Susan Latvala said at today's announcement of the grant.

"It will help us target the neighborhoods hit hardest by foreclosure," she said.

Competition for the money was fierce, Reyes said, and the 266-page application had to document how the money would help turn around neighborhoods suffering from the aftermath of the housing crisis.

Florida and the Tampa Bay are among the regions with the highest [foreclosure rates](#) in the nation.

Home prices skyrocketed during the housing boom as buyers stretched their budgets with creative financing. For many, adjustable-rate mortgages ballooned just they lost their jobs and home values plummeted.

The [median sales price](#) of existing homes in the Tampa-St. Petersburg-Clearwater [metro area](#) hit \$139,100 in November. Compare that with \$239,600 in June 2006, when local home prices peaked.

The expensive home prices played a leading role in the housing downturn.

The rising foreclosures have left lasting impacts on neighborhoods, particularly newer subdivisions, which were popular among speculators.

Reyes' group identified neighborhoods that need help, including some [new subdivisions](#) that failed.

"One [townhome development](#) wasn't even completed," Reyes said. "One thing we may do is go in and finish some of the units."

The grant will focus on six neighborhoods in Pinellas, including areas in Clearwater and Largo, and seven neighborhoods in Pasco, including parts of New Port Richey, central Pasco and the east Pasco cities of Zephyrhills and Dade City.

The neighborhoods all are considered as having a high risk of foreclosure under HUD rankings.

The areas are a mix of low-income neighborhoods such as the North and South Greenwood neighborhoods in Clearwater and [new subdivisions](#) in central Pasco with owners hit by sub-prime mortgages and balloon payments.

Reyes said she also reached out to Hillsborough County government to partner on the application. But Hillsborough County declined participation, she said, because it was already involved in another large grant application.

Many of the homes will be rented and some will be sold. The families who participate can make no more than 120 percent of the area median income and must receive at least eight hours of homeowner education.

Reyes said that income level would include teachers, nurses and police officers.

In addition to the \$50 million in grant funds, the local banks partnering in the program are pledging a total of \$18 million in loan funds.

The banks participating include: First Community Bank of America; First National Bank of Pasco; Flagship Community Bank; Florida Capital Bank; Florida Traditions Bank; Raymond James Bank; RBC Centura; Seaside Bank; and Synovus Bank.

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