

DRAFT

**AMENDED JUNE 24, 2009 - NEIGHBORHOOD STABILIZATION
PROGRAM (NSP) GRANT SUBMISSION TEMPLATE & CHECKLIST**

- (1) The City of Orlando AMENDED - NSP Substantial Amendment (attached below)
- (2) Amended areas **HIGHLIGHTED**

THE NSP SUBSTANTIAL AMENDMENT

| | |
|---|--|
| Jurisdiction(s): City of Orlando <i>(identify lead entity in case of joint agreements)</i> Jurisdiction Web Address: <i>(URL where NSP Substantial Amendment materials are posted)</i> www.CityofOrlando.net/housing | NSP Contact Person: Lelia Allen Address: 400 S. Orange Ave., Orlando, FL Telephone: 407/246-2292 Fax: 407/246-3055 Email: Lelia.Allen@cityoforlando.net |
|---|--|

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction.

Response:

The City of Orlando reports a total of *3,232 pre-foreclosures, foreclosures and bank owner properties within the jurisdiction as of November 2008. The City will distribute Neighborhood Stabilization Program (NSP) funds for the purchase and redevelopment of foreclosed upon homes or residential properties in the neighborhoods identified as areas:

- (A) With the greatest percentage of home foreclosures;
- (B) With the highest percentage of homes financed by a subprime Mortgage related loan;
- (C) Identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures.

The City of Orlando reviewed the following data sources to determine the target areas of greatest need for NSP activities:

1. November 2008 MLS (Multiple Listing Service) report of identified foreclosed properties to determine (A) *the areas with the greatest percentage of home foreclosures.*
2. Federal Financial Institutions Examination Council, RealtyTrac, Inc., and Sentinel research from <http://www.orlandosentinel2.com/data/sbuprime/> to identify (B) *areas with the highest percentage of homes financed by a subprime Mortgage related loan;*
3. HUD’s Foreclosure and Abandonment Risk Score worksheet to identify (B) *the areas likely to face a significant rise in the rate of home foreclosures.*

Areas representing the highest foreclosure activity exhibit a direct correlation to areas with a high volume of subprime lending activity. These data were combined and mapped out within the City of Orlando jurisdiction and are provided on the following page in **Exhibit I**.

*12/2/2008 MLS report

DRAFT 6.24.09 KT

Based on the data in Exhibit I, which shows: (1.) The areas that have been most impacted by foreclosures and with risk scores of 10 as of October 2008 in orange; (2.) The areas with the largest percentage of median income at or below 120% of AMI in blue lettering; and (3.) The highest concentration of foreclosures, identified by red dots; the following neighborhood areas have been identified as the targeted areas for the initial implementation of the Neighborhood Stabilization Program.

Priority #1 The neighborhoods bordered on the north by Lake Underhill Road, on the west by Semoran Boulevard, on the south by Curry Ford Road and on the east by Goldenrod Road.

Priority #2 The neighborhoods bordered on the north by West Colonial Drive, on the west by Mission Road north to Colonial Dr., on the south by L.B. McLeod Road, and on the east by I-4.

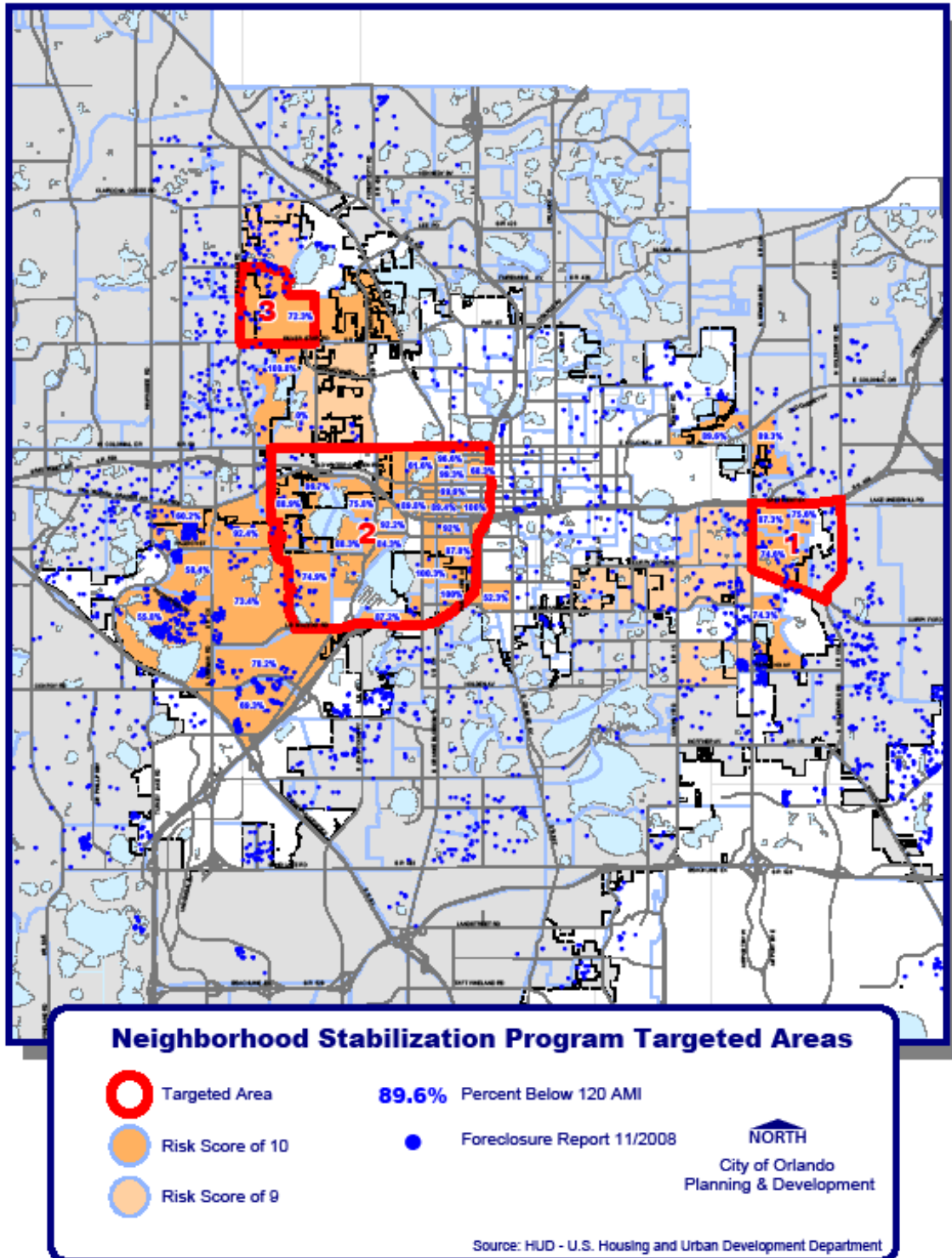
Priority #3 The neighborhoods bordered on the north by North Lane, on the west by Pine Hills Road, on the south by Silver Star Road, and on the east by Lake Orlando Parkway and Mercy Drive.

See **Exhibit II** for map of NSP Targeted areas on the following page.

These NSP targeted areas are areas where the City is currently implementing or plans to implement resources from its owner occupied housing rehabilitation program. Foreclosure data will be reassessed at the end of the program year to determine if NSP activities should continue in these neighborhoods or if the activity should move to another area.

DRAFT 6.24.09 KT

Exhibit II



B. DISTRIBUTION AND USES OF FUNDS

Response:

The City of Orlando intends to distribute the \$6.7 million received to purchase and redevelop foreclosed properties as follows:

1. To purchase and rehabilitate foreclosed upon homes or residential properties then resell to qualified homeowners whose incomes are at or below 120 % of area median income.
2. To purchase and rehabilitate foreclosed upon homes or residential properties to be rented to households whose incomes are at or below 50 % of area median income.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

For the purposes of this Program, the City of Orlando will adopt the following definition of a “blighted structure”:

“Blighted structure” is a building that is not being maintained to the City of Orlando’s minimum housing standards and exhibits common housing violations such as peeling paint, rotting wood, damaged electrical and plumbing fixtures, plumbing leaks, roof leaks, and other violations that are typically indicative of poor maintenance or neglect, unsanitary or unsafe conditions.

(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

For the purposes of this Program, the City of Orlando will adopt the following definition of Affordable Rents:

Affordable Rents: Rental fees that are subject to controls designed to ensure that payments are reasonable for Very Low income families. The NSP assisted units in a rental housing project must be occupied only by households that are eligible as Very Low for the length of the affordability period. For the purpose of NSP, the affordable rents shall not exceed Fair Market Rents for household size for the City of Orlando.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The City of Orlando will ensure that the properties assisted with funds from the NSP remain affordable for the length of their affordability period by recording a restrictive covenant that will run with the land.

Properties for sale:

A restrictive covenant will be placed on the property to ensure that it remains an affordable home for a prescribed period of time. The restricted covenant shall be in effect for a period of twenty (20) years. The property shall at all times be occupied as the principal residence of the owner and shall not be rented, leased, or sold. If the property is initially sold to a very low, low, or moderate income buyer, the property must be resold only to another very low, low, or moderate income buyer. The restrictive covenant shall run with the land; however, the restrictions shall terminate in the event of foreclosure, transfer in lieu of foreclosure, or assignment of an FHA insured mortgage to the Department of the Housing and Urban Development (HUD). Annual monitoring will be conducted to ensure that properties assisted with NSP funds remained owner-occupied during the affordability period.

Properties for Rent:

A restrictive covenant will be placed on the property to ensure that it remains an affordable development for a prescribed period of time. The restrictive covenant will remain in effect for the entire affordability period of thirty (30) years. The covenant and restrictions shall run with the land and shall be binding on future owners of the property. Annual on-site monitoring will be conducted to ensure that NSP assisted units are occupied by households whose income does not exceed 50% of the area median income, that the rents are in compliance with the HOME low rents as annually adjusted and that the property continues to meet Housing Quality Standards.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

In order to sell, rent, or redevelop homes and properties under the NSP, the rehabilitation of foreclosed-upon or residential properties shall comply with the City's specifications included in the rehabilitation standards in ***Exhibit IV***. The City will also include green building and energy efficiency enhancements, when appropriate, such as:

- Install Energy Star Rated Windows
- Windows replaced as an upgrade
- Upgrade Insulation – Ceiling insulation may be upgraded to reduce heating and cooling demands
- Install Compact Florescent Bulbs in all fixtures
- HVAC Maintenance – Clean and service units as to insure that the unit is working properly and efficiently

DRAFT 6.24.09 KT

- Upgraded HVAC Filter MERV 13
- Energy Star Rated Appliances
- Low Flow Plumbing Fixtures – If fixtures need to be replaced use low flow or ultra low flow fixtures
- Solar Water Heating –
- Weatherization – Review all weatherization concerns, doors, windows, caulking, etc

The staff of the City of Orlando Housing and Community Development Department will be responsible for the inspection of homes to ensure that the City's NSP rehabilitation guidelines are met.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: (See **Exhibit III** for Low/Moderate Income areas map.)

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

To address the housing needs of households whose income is at 50% or below the area median income (AMI), the City of Orlando has allocated \$1,682,566 to purchase and redevelop approximately eleven (11) abandoned or foreclosed upon homes and residential properties to provide affordable rental properties. This activity will be carried out by contracted nonprofit agencies experienced in addressing the housing needs of individuals and families whose income is at or below 50% of the Area Median Income (AMI) including special needs populations such as seniors, persons with disabilities (including persons with HIV/AIDS and their families), the homeless and veterans.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., \leq 80% of area median income).

If so, include:

Response:

The City of Orlando does not plan to use NSP funds to demolish or convert any low and moderate dwelling units.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

The City of Orlando posted a DRAFT of the Amendment to the NSP Substantial Amendment to the Consolidated Plan requesting Public Comments to the City's website on **June 26, 2009 and published in the Orlando Sentinel on June 28, 2009**. The City's original approved Substantial Amendment to the Consolidated Plan was posted to the City's website on November 17, 2008.

The comments received are included in **Exhibit V**.

The City submitted the **amendment to the NSP Substantial Amendment to City Council for approval on July 13, 2009 and to the HUD office July 17, 2009**.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

ACTIVITY NUMBER 1

1.) NSP Eligible Activity Name: *Acquisition, Rehabilitation, and Resell* – Purchase and rehabilitate homes & residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

2.) Activity Type:

NSP eligible use: Federal Register Part III HERA Notice –Monday, October 6, 2008.
NSP Eligible use:

CDBG eligible activity: B. Acquisition and rehabilitation of foreclosed upon homes
24CFR570.201(a) Acquisition
24CFR570.201(b) Disposition
24CFR570.201(n) Direct Homeownership Assistance
24CFR570.202(a) Rehabilitation and Preservation Activities

3.) National Objective: **LMMH - Low and Moderate Middle Housing**

4.) Projected Start Date: **March 1, 2009**

5.) Projected End Date: **First Year End Date: June 30, 2010**
Final Year End Date: September 30, 2013

6.) Responsible Organization:

The City of Orlando Housing and Community Development Department is located at 400 S. Orange Avenue, Orlando, FL 32802. The contact person is Lelia W. Allen at (407) 246-2292. The City will hire a contract employee to coordinate the program activities. The City will solicit the participation of not-for profit organizations to carry out the NSP activities.

7.) Location Description:

Specific addresses for acquisition, rehabilitation and resale will be designated at the commencement of grant activity for acquisition, rehabilitation and resale. To that extent, the following neighborhoods within the City limits will be targeted:

Priority #1 The neighborhoods bordered on the north by Lake Underhill Road, on the west by Semoran Boulevard, on the south by Curry Ford Road and on the east by Goldenrod Road.

Priority #2 The neighborhoods bordered on the north by West Colonial Drive, on the west by Mission Road - north to Colonial Dr., on the south by L.B. McLeod Road, and on the east by I-4.

Priority #3 The neighborhoods bordered on the north by North Lane, on the west by Pine Hills Road, on the south by Silver Star Road, and on the east by Lake Orlando Parkway and Mercy Drive.

8.) Activity Description: **Purchase, Rehab, and Sale - \$3,374,671**

“NSP Homebuyer’s Program”

This program will be targeted to approximately twenty (20) households. Through a Request for Proposal process, the City of Orlando will seek the participation of qualified **not-for-profit** organizations to carry out this activity. The selected entities will have access to NSP funds to purchase, rehabilitate, and resell eligible properties to eligible homebuyers. The City will provide the selected entities up to \$150,000 to acquire and up to \$20,000 to rehabilitate each **property, unless an increase is approved by the Housing and Community Development Department.** These funds will be provided to the selected partners at a 0% interest rate. The City will limit the number of properties that each partner can obtain based on their capacity. When assessing the condition of a home for acquisition and rehabilitation, it may be determined that it is more cost effective to replace the existing unit with a new unit rather than rehabilitate it.

The City will seek the services of selected financial institutions to assist with the responsibilities of providing end loan financing. Efforts will be made to ensure that homebuyers are offered fixed interested loans for a period of 20 years. After the sale of each property at a discounted price, the partner will return to the City any program income made from the sale. The City will collect the program income from all of the sales from the first year of the program and then re-distribute the funds the following fiscal year to eligible entities. This cycle will continue until the NSP Projected End Date. Development fees and other soft project costs related with the acquisition, rehabilitation, and resale of the homes shall be considered program delivery costs and shall be charged to the individual homes assisted.

The tenure of beneficiaries for this Activity is homeownership. The Housing and Community Development Department will be responsible for monitoring the occupancy requirements annually.

DRAFT 6.24.09 KT

9.) For housing related activities, include:

- tenure of beneficiaries:

This will be a homeownership activity.

10.) For acquisition activities:

The acquisition price shall be discounted at a minimum of 1% (one percent) at all times for property acquired under this activity.

11.) For financing activities:

Efforts will be made to ensure homebuyers obtain 30 year mortgages at fixed interest rates.

Direct housing assistance to the buyers will be provided as a zero percent (0%) forgivable loan.

Performance Measures

| Household Income levels | Units of housing to be acquired, rehabilitated and resold |
|---|---|
| Low and Moderate Income Families (80% or below) | 15 housing units |
| Middle Income Families (81% to 120%) | 5 housing units |

ACTIVITY NUMBER 2

1.) NSP Eligible Activity Name: *Financing Mechanisms* – Establishing financing mechanisms for purchase of redeveloped foreclosed upon homes and residential properties.

2.) Activity Type:

NSP eligible use: Federal Register Part III HERA Notice –Monday, October 6, 2008.

NSP Eligible use:

A. Establish Financing Mechanisms

CDBG eligible activity: 24CFR570.201(n) Direct Homeownership Assistance

3.) National Objective: **LMMH - Low and Moderate Middle Housing**

4.) Projected Start Date: **March 1, 2009**

5.) Projected End Date: **First Year End Date: June 30, 2010**

Final Year End Date: September 30, 2013

6.) Responsible Organization:

The City of Orlando Housing and Community Development Department is located at 400 S. Orange Avenue, Orlando, FL 32802. The contact person is Lelia W. Allen at (407) 246-2292. The City will hire a contract employee to coordinate the program activities. The City will manage the NSP financing mechanism in-house.

7.) Location Description:

Specific addresses for acquisition, rehabilitation, resale of properties to be purchased by eligible first time home buyers receiving NSP direct homeownership assistance will be designated at the commencement of grant activity for acquisition, rehabilitation and resale. To that extent, the following neighborhoods within the City limits will be targeted:

Priority #1 The neighborhoods bordered on the north by Lake Underhill Road, on the west by Semoran Boulevard, on the south by Curry Ford Road and on the east by Goldenrod Road.

Priority #2 The neighborhoods bordered on the north by West Colonial Drive, on the west by Mission Road - north to Colonial Dr., on the south by L.B. McLeod Road, and on the east by I-4.

Priority #3 The neighborhoods bordered on the north by North Lane, on the west by Pine Hills Road, on the south by Silver Star Road, and on the east by Lake Orlando Parkway and Mercy Drive.

8.) Activity Description: **Direct Homeownership Assistance - \$1,000,000**

"NSP Direct Homeownership Assistance Program"

This program will target approximately twenty (20) households to receive direct housing assistance when purchasing a NSP home, in the form of a deferred loan and will be offered to the buyers by the City of Orlando with NSP funds, in an amount up to 40 percent of the purchase price to make the home affordable. The amount of assistance will be based on the need of the household. The assistance will be provided as a zero percent (0%) forgivable loan which will be secured by a mortgage. The owner of the home must occupy the unit as their principal residence for a minimum of twenty (20) years. No payments on the deferred loan will be required during the affordability period. After twenty (20) years, if the occupancy requirements are satisfied, then buyer will not need to repay the loan. However, if the occupancy requirements are not met, the loan amount will not be forgiven and the entire loan must be paid back to the City. The assistance will be provided on a first come, first serve basis. Each household will be required to obtain a minimum of 8 hours of housing counseling with a HUD approved agency.

The tenure of beneficiaries for this Activity is homeownership. The Housing and Community Development Department will be responsible for monitoring the occupancy requirements annually.

9.) For housing related activities, include:

tenure of beneficiaries:

This will be a homeownership activity.

10.) For acquisition activities:

The acquisition price shall be discounted at a minimum of 1% (one percent) at all times for property acquired under this activity.

11.) For financing activities:

Efforts will be made to ensure homebuyers obtain 30 year mortgages at fixed interest rates. The direct housing assistance to the buyers will be provided as a zero percent (0%) forgivable loan.

Performance Measures

| Household Income levels | Units of housing to be acquired, rehabilitated and rented |
|---|---|
| Low and Moderate Middle Income Families (120% or below) | 20 Households to be assisted with Direct Homeownership Assistance up to 40% of the purchase price |

(Activity Number 3 was originally "Land Banking")

Amended: This activity deleted. The funding will be reallocated to support Activity Number 2 - Direct Homeownership Assistance.. When the city's original NSP Substantial amendment was submitted to HUD, the City anticipated assisting homebuyers with funds under the Florida State Housing Initiative Partnership Program (SHIP). Since that time, funding under that program has been substantially reduced and the city will use NSP funds to assist homebuyers.)

ACTIVITY NUMBER 3

1.) NSP Eligible Activity Name: *Acquisition, Rehabilitation, and Rent* – Purchase and rehabilitate homes & residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

2.) Activity Type:

NSP eligible use: Federal Register Part III HERA Notice –Monday, October 6, 2008.
NSP Eligible use:
(B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes & properties.

CDBG eligible activity: 24CFR570.201(a) Acquisition
24CFR570.201(b) Disposition
24CFR570.202(a) Rehabilitation and Preservation Activities

3.) National Objective: **LMMH - Low and Moderate Middle Housing**

4.) Projected Start Date: **March 1, 2009**

5.) Projected End Date: **First Year End Date: June 30, 2010**
Final Year End Date: September 30, 2013

6.) Responsible Organization:

DRAFT 6.24.09 KT

The City of Orlando Housing and Community Development Department is located at 400 S. Orange Avenue, Orlando, FL 32802. The contact person is Lelia W. Allen at (407) 246-2292. The City will hire an employee to coordinate the program. The City will solicit the participation of for-profit and not-for profit organizations in the Program.

7.) Location Description:

Specific addresses for acquisition, rehabilitation and rental will be designated at the commencement of grant activity of acquisition, rehab and resale. To that extent, the following neighborhoods within the City limits will be targeted:

Priority #1 The neighborhoods bordered on the north by Lake Underhill Road, on the west by Semoran Boulevard, on the south by Curry Ford Road and on the east by Goldenrod Road.

Priority #2 The neighborhoods bordered on the north by West Colonial Drive, on the west by Mission Road - north to Colonial Dr., on the south by L.B. McLeod Road, and on the east by I-4.

Priority #3 The neighborhoods bordered on the north by North Lane, on the west by Pine Hills Road, on the south by Silver Star Road, and on the east by Lake Orlando Parkway and Mercy Drive.

8.) Activity Description: **Purchase, Rehabilitation, and Rent** – \$1,682,566

Very Low Income Rental Housing - \$1,682,566

The City of Orlando will seek the participation of qualified not-for-profit agencies to carry out this Program through a Request for Proposal process. The selected entities will be responsible for acquiring, rehabilitating, renting, and managing the acquisition of approximately eleven (11) properties. The City will provide the selected entities up to \$150,000 to acquire and up to \$20,000 to rehabilitate each property, unless an increase is approved by the Housing and Community Development Department. The City will limit the number of properties that each entities can obtain based on their capacity. When assessing the condition of a home for acquisition and rehabilitation, it may be determined that it is more cost effective to replace the existing unit with a new unit rather than rehabilitate it.

Assistance under this program will be provided in the form of a forgivable deferred loan. A mortgage shall secure the loan. No payments shall be required during the duration of the affordability period. Upon the completion of the affordability period of thirty (30) years, the City shall issue a satisfaction of mortgage. However, if the property fails to be used as housing for very low income households, the loan must be repaid in full. A restrictive covenant will also be recorded to ensure that the properties remain affordable for the prescribed period of time. The covenant and restrictions shall run with the land and shall be binding on future owners of the property.

Potential beneficiaries of this program will be extremely low and very low income households, homeless individuals or families or other persons with special needs. Potential renters must apply directly to the entity that owns the property. All renters of the units assisted with NSP funds must meet the income requirements of the Program. Rents, adjusted for bedroom size,

may not exceed the HOME low rents for the Orlando area, as adjusted from time to time. The units assisted with NSP funds must be provided as permanent housing and be rented to income eligible persons at or below these maximum rental rates minus utilities.

The tenure of beneficiaries for this Activity is rental. The Housing and Community Development Department will be responsible for monitoring the tenant income and affordability requirements.

9.) For housing related activities:

- tenure of beneficiaries;

This will be a rental activity.

- duration or term of assistance;

Assistance under this program will be provided in the form of a forgivable deferred loan. A mortgage shall secure the loan. No payment will be required during the affordability period. Upon the completion of the affordability period of thirty (30) years, the City shall issue a satisfaction of mortgage.

- a description of how the design of the activity will ensure continued affordability.

A restrictive covenant will also be recorded to ensure that the properties remain affordable for the prescribed period of time. The covenant and restrictions shall run with the land and shall be binding on future owners of the property.

10.) For acquisition activities:

- The acquisition price shall be discounted at a minimum of 1% (one percent) at all times for property acquired under this activity.

11.) For financing activities:

- Assistance under this program will be provided to the contracted non-profits in the form of a forgivable deferred loan at a zero (0) % interest rate for a term of thirty (30) years.

| Household Income levels | Units of housing to be acquired, rehabilitated and resold |
|------------------------------------|---|
| Low Income Families (50% or below) | 11 rental units |

ACTIVITY NUMBER 4

1.) Activity Name: Planning and Administration

2.) Activity Type:

NSP eligible use:

CDBG eligible activity: 24 CFR 570.205 and 24 CFR 570.206:
Cost of Administration and Planning

DRAFT 6.24.09 KT

- 3.) National Objective: N/A
- 4.) Projected Start Date: September 29, 2008
- 5.) Projected End Date: **First Year End Date: June 30, 2010**
Final Year End Date: September 30, 2013

6.) Responsible Organization:

The City of Orlando Housing and Community Development Department is located at 400 S. Orange Avenue, Orlando, FL 32802. The contact person is Lelia W. Allen at (407) 246-2292. The City will hire an employee(s) to coordinate the NSP program.

7.) Location Description: N/A

8.) Activity Description: **Planning & Administration: \$673,026.00**

The City of Orlando Housing and Community Development Department shall be responsible for administering the Neighborhood Stabilization Program (NSP), including developing the plan, coordinating public hearings, coordinating the application process, monitoring and implementing the plan, reporting on plan activities and all other activities associated with NSP. The City of Orlando proposes to spend ten (10) % of NSP funds from each fiscal year of the duration of the program on administrative costs. This expenditure will assist in paying for workshops and training, project feasibility studies, office supplies and expenses, advertising and marketing, and salaries associated with implementing the NSP plan. Consultants may be hired to conduct certain studies and to deliver services.

The City will seek the services of not for profit organizations to undertake the acquisition, rehabilitation, resale or rent of eligible properties. The City will allow each entity to charge a Direct Activity Delivery Cost. This cost will be compensation for the not for profit's cost and risk in undertaking the completion of a NSP project. This NSP Direct Activity Delivery Cost is not to exceed the lesser of \$15,000 or ten percent (10%) of the acquisition and rehabilitation cost for each home purchased with NSP funds, paid at project completion. These costs shall be considered project delivery costs and shall be charged to the individual homes assisted.

H. Total Budget:

Neighborhood Stabilization Program
\$6,730,263

| Activity | Allocated Amount | |
|------------------------------------|------------------|------------------------|
| Planning and Administration | | \$ 673,026.00 |
| Purchase, Rehabilitation, and Sale | | \$ 3,374,671.00 |
| NSP Homebuyers Program | \$ 3,374,471.00 | |
| Financing Mechanisms | | \$ 1,000,000.00 |
| Direct Homeownership Assistance | \$ 1,000,000.00 | |
| Purchase, Rehabilitation, and Rent | | \$ 1,682,566.00 |
| Very Low Income Rental Housing | \$ 1,682,566.00 | |
| Total | | \$ 6,730,263.00 |

I. Performance Measures

| Household Income levels | Units of housing to be acquired, rehabilitated and resold |
|---|---|
| Low and Moderate Income Families (80% or below) | 15 housing units |
| Middle Income Families (81% to 120%) | 5 housing units |

| Household Income levels | Units of housing to be acquired, rehabilitated and rented |
|------------------------------------|---|
| Low Income Families (50% or below) | 11 rental units |

DRAFT 6.24.09 KT

EXHIBIT III

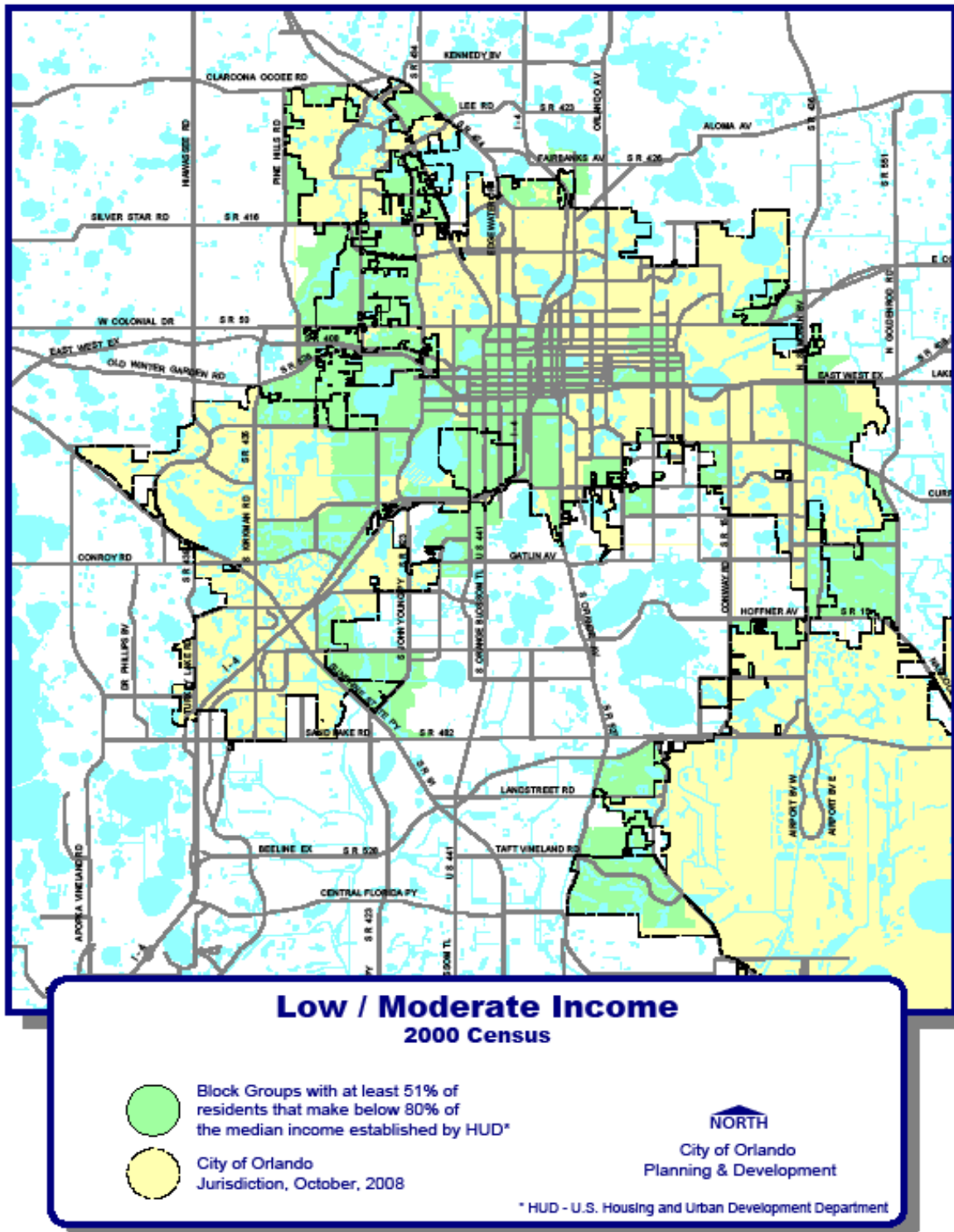


Exhibit IV

City of Orlando Housing Rehabilitation Standards

The Neighborhood Stabilization Program (NSP) requires that activities administered under that program adhere to the rehabilitation standards adopted by the City as set forth herein. All homes acquired with NSP funds shall be rehabilitated to meet the City's minimum housing standards. In performing such work, and any other work on homes acquired with NSP funds, selected proposers shall perform such work in accordance with these rehabilitation standards. To clarify, proposers are not required to perform rehabilitation work when the home already meets the City's minimum housing standards. These standards and specifications apply to work to be performed to bring a home into compliance with the City's minimum housing standards and apply to work done during the rehabilitation phase of the NSP activity. The City of Orlando's Housing Rehabilitation staff will be available to provide technical assistance and inspections during the rehabilitation phase.

Bid Packages:

- The selected proposers (hereinafter referred to as NSP recipients or the recipient of NSP funds) must develop a bid package and an Invitation to Bid for each home acquired with NSP funds. The bid package shall detail the rehabilitation specifications, time and location of a pre-bid walk through to be held by the NSP recipient, instructions for change orders, and the bidder's scope of work. The NSP recipient shall have the HCD staff review and approve the bid package and specifications before they are released for bids. The NSP recipient may use licensed contractors on the City's Contractors' Roster or invite other licensed contractors to bid on the work. The NSP recipient must solicit bids from at least three (3) bidders for the rehabilitation of each single family home.

Pre-Bid Walk Through:

- All bidders for NSP rehabilitation are required to attend a mandatory pre-bid walk-through before the submittal of any bid to the NSP recipient. The purpose of this walk-through is to provide and solicit information relative to the scope, purpose, nature, and extent of the work. Also, the walk through offers an opportunity to examine any local conditions that may affect the work and its performance. If a bidder cannot attend the walk-through or, if after the walk-through, the bidder chooses not to bid on the project, a "No Bid" should be returned to the NSP recipient. The "No Bid" may be hand delivered, mailed, or faxed to the NSP recipient, but must be received by the specified bid due date.

Bids and Proposals:

- The submittal of a bid by a bidder shall constitute an acknowledgement by the bidder that he/she has thoroughly examined the job site and is familiar with the rehabilitation work write-up and the specifications. All bids must be itemized. The line item total will be used as the basis for awarding the bid. If the line item total and the bid price listed on the Invitation to Bid differs, the line item total will prevail. Mathematical errors,

omissions, or other mistakes made by the bidder, will not free a bidder from honoring a bid. The NSP recipient reserves the right to reject any or all bids or proposals.

Bid Selection:

- All bids for NSP rehabilitation must be submitted sealed and delivered to the NSP recipient no later than the specified time and date listed on the Invitation to Bid. All late bids must be rejected. The bid will be awarded to the lowest responsive and responsible bidder. The NSP recipient reserves the right to choose the lowest bidder or to have the project sent out for rebid.

Permits:

- All NSP projects must have the required permits for rehabilitation work. A copy of the permit must be submitted to the NSP recipient before the commencement of work. All trade work must be performed by a licensed trade professional.

Commencement of Work:

- For all rehabilitation work, the selected bidder (hereinafter the “Contractor”) unless prohibited by inclement weather, must begin work within 7 days after a written Notice to Proceed has been made available and signed by the NSP recipient.
- If the Contractor does not complete the work within the time frame specified in the work contract, the Contractor may be released from the job and a new Contractor hired to complete the work.
- The Contractor agrees that 5% of the contract price may be withheld from the amount to be paid to the Contractor for each day that the work is not completed past the designated completion date.

Completion of Work:

- At the completion of the NSP rehabilitation project, the Contractor will provide documentation of warranties to the NSP recipient, who will pass along the warranties to the NSP homeowners, when appropriate. The Contractor will also supply the NSP recipient with a list of all subcontractors used to install major components (e.g., plumbing, electrical, air conditioning, etc.) in to the NSP home.

Scope of Work:

- The Contractor shall provide all labor, materials, equipment, permits, drawings (if needed), and services for the proper completion of the rehabilitation of the NSP single family home.

Work Write Up:

- Items in the work write up shall not take precedence over requirements in the City’s housing rehabilitation standards, architectural drawings, local and state building codes or NSP requirements.

Changes in the Write Up/Change Orders:

- All NSP rehabilitation jobs should be completed with no change orders.

DRAFT 6.24.09 KT

- Changes will only be permitted by the NSP recipient when the Contractor encounters unforeseen conditions, which impact the work and could not be evaluated before work began. Before approving any change order, the NSP recipient must first obtain approval from HCD before granting approval to the Contractor for the change order. Substitutions of materials, changes in the scope of work or workmanship required by the City's rehabilitation standards which may be proposed by the Contractor, shall be submitted in writing with any costs, to the NSP recipient for approval prior to work beginning. Any requested change which would conflict with these rehabilitation standards shall require the prior written approval of HCD.

Workmanship:

- All NSP rehabilitation work shall be performed in accordance with the standards of the industry and done in a professional and "workmanlike manner".

Materials:

- All materials shall be new, in good condition, and of standard grade unless otherwise approved in writing by the City HCD staff before their delivery to the job. Products and materials should be installed in accordance with manufacturer's directions and specifications.
- When "repair of existing work" is called for by the contract, the item is to be placed in "equal to new condition" either by patching or replacement. All damaged, loose, or rotted parts shall be removed and replaced, and the finished work shall match adjacent work in design and dimension.
- Product types, sizes, colors, etc. shall be in accordance with the specifications. Unless authorized by the NSP recipient, any product or material that does not match the specification sheet will be removed and replaced with the Contractor absorbing all costs incurred.

Incidental Items:

- Items not mentioned in these specifications, the architectural drawings, or the rehabilitation write-up that can be reasonably and legitimately inferred to belong to the work described, to provide a complete system, shall be furnished and installed as though specified in every detail.

Inspection of Work:

- The Contractor shall notify the NSP recipient and the HCD staff prior to a request for inspection of the work. The inspection of the work shall take place during normal working hours by authorized City of Orlando Building Inspectors and HCD staff.

Insurance:

- The Contractor shall maintain insurance coverage, as required by the City and must be in force throughout the entire contract term. Should the Contractor fail to provide acceptable evidence of current insurance within 7 days prior to the expiration date of an insurance policy or at any time during the contract term, the NSP recipient shall have the right to terminate the contract without any further obligation to the Contractor.

Subcontractors:

- When subcontractors are employed for NSP rehabilitation, they shall be bound by the terms and conditions of the work contract insofar as it applies to their work. This shall not relieve the Contractor from the full responsibility for proper completion of all NSP work.

Warranty:

- All NSP rehabilitation work must be warranted by the Contractor for a period of 1 year. Roof work must be warranted by a roofing contractor for a period of 5 years. During the warranty period, if the Contractor is notified of a problem by the homeowner or a representative of the NSP recipient, the Contractor must make arrangements to inspect the problem at the jobsite within 5 working days. If the problem is determined to be the responsibility of the Contractor, he must make corrections within 10 working days. If the Contractor feels the problem does not fall under the requirements of his warranty or is a result of homeowner abuse he should notify the HCD, who will make all final determinations in regard to corrective action.

Building Codes:

- All NSP rehabilitation work shall be done in accordance with the regulations of the governing local and state codes, as may be interpreted by the City of Orlando Permitting Services Division (Permitting Services).

Clean Up:

- All construction site debris shall be placed in a container on a daily basis. No debris is to be left in the yard. All work areas will be thoroughly cleaned at the completion of the project. All debris shall be disposed of legally.

Pay Requests:

- For NSP rehabilitation projects, a partial pay request may be turned in by the NSP recipient during the rehabilitation process at fifty percent (50%) of project completion of the rehabilitation work. In order to be eligible for payment, the request shall include a complete invoice for reimbursement of costs with satisfactory lien waivers, evidence of inspections by the HCD Department and Building inspectors, and certification of compliance with the NSP recipient's agreement with the City.
- The Contractor shall submit a final permit and final lien release with all final NSP pay requests when the rehabilitation work is 100% complete. No funds will be disbursed until all required inspections and final approvals from Permitting Services and HCD have been obtained.
- Faxed pay requests will not be accepted for payment.

Construction Facilities and Temporary Controls:

- *A permit box is* to be posted at the home being rehabilitated with NSP funds on a 4 x 4 post facing the street with a “**No Trespassing**” sign under the box on all projects requiring a permit.
- Temporary Sanitation: Contractors should provide a Comfort House or equal with weekly service, when appropriate.

Termite Control:

- To address the presence of termites, the Contractor must use an EPA approved termiticide and install per Florida Building Code.

Landscaping:

- The Contractor shall be responsible for any plant requirements mandated by City Code.
- No areas are to be left with bare soil. Sod or mulch must be installed.
- Any new landscape materials that are installed must be: drought-tolerant, low water “xeriscape” plants where practical.

Concrete:

- The Contractor shall provide cast-in-place concrete including, but not limited to footings, foundations, steps and slabs on grade. Follow ACI codes and standards.
- No concrete is to be placed over grass, roots, or foreign matter.
- Concrete reinforcing specifications shall be as follows: Bars: deformed steel, ASTM A615, grade 60 and Mesh: welded steel wire fabric, ASTM A185. Note: Fibermesh is acceptable in lieu of welded steel fabric.
- The Contractor shall use cement with the following specifications: type I minimum 2500 PSI at 28 days, ASTM C150.
- The concrete aggregate shall be normal weight, ASTM C33.
- All concrete slabs shall be separated from existing construction by ½ inch asphalt-impregnated expansion joint material.
- The isolation and control joints shall meet industry standard.
- Exterior steps and slabs shall be broom finish.

Masonry:

- The Contractor shall provide unit masonry for block wall construction.
- Concrete block shall be normal weight, ASTM C145, C90 Type 1, grade N; nominal 8 x 8 x 16” size with hollow cores. Special shapes as required by plans or buildings configuration.
- Mortar shall meet the following specifications: ASTM C270, cement-line mortar, type N above grade, type M below grade, other types as required by application.
- Ties and reinforcing shall be hot-dipped galvanized ASTM A153.

Fences:

- **Fences shall meet the following specifications: chain link variety, unless otherwise specified, hot dipped galvanized #11 minimum wire, post, and fasteners, minimum 4 feet high.**
- Entrance gates shall be minimum 42 inches wide and 4 feet high.
- Driveway gates shall be a minimum of 10 feet wide and 4 feet high.
- Fence posts shall be anchored in concrete. (60 lbs per post)
- All fence installations shall be surveyed prior to installation.

DRAFT 6.24.09 KT

- All fence installations shall include the removal of any shrubs, trees, flowers, etc., that may be in the way of, or interfere with the fence installation. Care shall be taken to keep plant removal to the minimum necessary for installation.

Wood /Plastics:

- The Contractor shall provide rough carpentry including but not limited to, framing, blocking, nailers, plates, sub flooring, sheathing and furring.
- All vertical framing members and furring strips shall be 16 inches on center.
- Material specifications shall be as follows: Lumber – comply with PS 20 and respective grading rules. Plywood – comply with PSI ANSI A 199.1 or APA performance standard.
- The Contractor shall provide galvanized steel connectors by Simpson Strong – Tie Co. or a product of equal quality.
- The Contractor shall use certified preservative treated lumber at areas where wood is in direct contact with masonry or concrete, including sole plates, furring and blocking.
- The Contractor shall use pressure treated lumber for all exterior columns, beams, railings, etc.
- The Contractor shall use ½ inch 4 ply CDX plywood for decking, roof and gables.
- All decking shall be nailed, not stapled.

Finish Carpentry:

- The Contractor shall use cement siding/soffit material for all exterior running and standing trim.
- Carpentry materials shall have the following specifications: Softwoods – comply with PS 20. Hardwoods – comply with NHLA rules. Carpentry shall be painted or stained per City of Orlando color pallet.
- All finish work must be of good quality, using mitered corners where practical, and staggered joints.
- All exterior fasteners and hardware shall be galvanized or non-corrosive.

Thermal and Moisture Protection:

- All roof/attic insulation must be a minimum of R-30 (cumulative).
- The Contractor shall provide either batt or blown insulation in all roof and attic spaces. In sloped ceiling areas, the Contractor must provide batt insulation, supported by metal rods or continuous galvanized wire mesh.
- Acceptable insulation manufacturers include DOW, Certain-Teed, Manville, Owens Corning or equal.
- The Contractor must provide spray foam insulation at window and door casings, behind electric boxes and at wall penetrations.
- Underlayment shall be installed in accordance with the Florida Building Code sub-sections 1507.3.8.1 and 1507.3.8.2.
- Non-shrinking latex or silicone caulk shall be used to seal exterior wall construction, including visible cracks. The Contractor must seal framing members in exterior walls, especially penetrations made by mechanical, electrical, or plumbing trades.

Doors:

- All exterior doors shall be steel, six panel pre-hung, foam-filled with wood blocking at lock bore area and trim on both sides. Front doors shall include a peephole.
- All exterior locksets shall be of a security type to include deadbolts.
- All locks for a home shall be keyed alike.
- The Contractor shall be responsible for providing door and window installation specifications to Permitting Services.
- All interior doors shall be “*Masonite.*” or equivalent
- All security doors shall have wire screening.
- All doors shall have a spring doorstop installed, where needed.

Windows:

- All windows shall be aluminum, single hung, double glazed, white in color except to match existing and meet Florida Building Code requirements.
- All windows shall have a screen.
- All bathroom windows shall have obscured glass.

Laths and Plaster:

- The Contractor shall use the following specifications for plaster: cement plaster (stucco, not “stucco-like veneer”): 3 coats for frame, 2 coats for block complying with ANSI A42.2 and A42.3.
- The specifications for the metal lath are as follows: comply with MLSFA “Technical Bulletin 101” and ASTM C841.
- The Contractor shall use zinc alloy or plastic plastering accessories including, but not limited to, small nose corner beads, square edged casing beads, two-piece control joints and fasteners.

Drywall:

- The Contractor shall use gypsum board as the typical finish on the home, including, but not limited to, walls, ceilings, and soffit and shall provide necessary accessories, anchors and metal corner beads.
- Gypsum wallboard specifications shall be as follows: ½ inch thick; comply with ASTM36-screwed.
- The Contractor shall install cement-based backer board around tub/shower and other moisture-prone areas and shall comply with ASTM C475 as recommended by the manufacturer.
- All drywall shall be made from 100% recycled paper.
- All repairs on rehabilitation projects shall match existing finish, unless otherwise specified.

Tile:

- All wall tile shall be 4 x 4”, gloss finish, white, except to match the existing tile. Flat cap or mud cap must be used at edges.

DRAFT 6.24.09 KT

- All standard grade tile shall be installed per specifications or instructions issued by the material manufacturer. Tile shall be applied with acrylic modified thin-set and grout. No mastic shall be used in wet areas.
- All tile tub/shower surrounds shall include cement based backer board. Backer board to be installed over lip of tub, 2 inches past tub/shower on sides, and all joints sealed with fiberglass mesh tape and thin-set. No gypsum products behind or over backer board.
- All tile tub/shower surrounds shall include soap dish and towel bar.

Marble Window Stools:

- The Contractor shall provide honed white marble stools, complying with MIA group “A” requirements for soundness, with rectangular profile and eased edges.

Flooring:

- All carpet shall be installed as per manufacturer’s specifications. Transitional metals shall be installed where needed.
- The carpet pad shall be minimum 7/16 thickness and 6 lb density.
- Ceramic tile installed shall be 12” x 12” minimum, glazed ceramic tile with a PEI rating of 4 (minimum)

Painting:

- When painting is required, the Contractor shall include the painting of all walls, ceiling, trim, closets and doors.
- The Contractor shall use the City of Orlando’s color pallet.
- The Contractor shall paint all kitchen and bathroom doors and trim in semi gloss; all other walls/ceilings shall be painted in satin.
- All surfaces to be painted shall have the required prep work included. Prep work shall include filling holes, repairing stucco, caulking, spackling, etc.
- The Contractor shall remove over spray of texture application from doors, windows and trim prior to painting.
- The Contractor shall use qualified and trained painters, and provide surfaces free of runs, drips, holidays, and other visual defects at time of substantial completion.
- At the completion of all projects the Contractor shall leave the homeowner, a small quantity of all paints used in sealed containers.

Appliances:

- All ranges are to have four burners and a glass panel door.
- All refrigerators are to be 18 cf., no frost with glass shelves.
- All range hoods to be ductless or ducted (match existing), fan with light, white.
- Appliance colors: standard white factory finish or to match existing appliances.

Cabinetry:

- All cabinetry, kitchen or bathroom, will be made with solid oak frame and doors.
- Vanity tops shall be one-piece cultured marble vanity top with sink.

Plumbing:

- For repiping projects, the Contractor shall ensure that the main waterline must enter through a low area of a wall into a closet or other approved location and be covered diagonally with a 1 x 6 board to protect the pipe, and caulked and painted.
- For repiping projects, the Contractor shall ensure that the pipe will be replaced from the utility meter to the house with ¾ inch PVC pipe.
- Quest/Pex or CPVC hot and cold piping shall be installed as per manufacturer's recommendation.
- New pipe installed in all unconditioned space shall be thermo-insulated.
- For repiping and new home/reconstruction projects a minimum of two hose bibs shall be installed with vacuum breakers.
- The Contractor shall remove all old hose bibs and patch with mortar, unless an electrical ground is attached.
- For repiping projects, the Contractor shall ensure that all holes made through walls, ceilings, etc. must be repaired to match existing walls, ceilings, etc. and primed.
- All penetrations through walls and cabinets must have escutcheon plates installed.
- The Contractor shall ensure that all drains are snaked out along with the main line from the house to street. All drains must be properly working at time of final inspection.
- All trenches created for plumbing repairs are to be properly filled and compacted to ground level.

Plumbing Fixtures:

- All toilets and sinks shall be American Standard, or equivalent.
- All tubs are to be "Americast", or equivalent.
- All fixtures shall match existing fixture, when appropriate.
- All toilets shall be 1.6 gal. flush.
- All water heaters shall have 40-gallon minimum capacity, 88% efficiency rating and meet all installation codes, plumbing, electrical and building.
- All faucets/valves will be handicapped designated.
- All tubs/showers shall have anti-scald guards.
- Kitchen sinks shall be stainless steel double bowl with a depth of 8 inches.

Mechanical:

- The Contractor shall provide heating, ventilating and air conditioning systems, including controls, wiring, condensate pumps, thermostats, ducts, dampers, vents, registers, returns, remote panels and exterior pad to complete the work. The systems shall be balanced for uniform air distribution.
- All units are to be 13 SEER minimum, or equivalent, and installed per specification sheet and manufacturer's specifications. Size and layout must be approved by Permitting Services.
- The Contractor shall install an air handler on a sealed wood platform with return vent in wall below the unit.
- The Contractor shall install a Masonite or equivalent ½ door for access to the HVAC closet. No bifold doors will be accepted for HVAC closet.
- The Contractor shall install attic-mounted rigid and flexible ductwork: R-6 minimum.

DRAFT 6.24.09 KT

- The Contractor shall ensure that the return vent is filter backed.
- The Contractor shall install ceiling ducted vents with dampers to range and 90 cfm bathroom fan/vent.
- The Contractor shall install a dryer vent on the interior walls manufactured by “Dryerbox” by In-O-vate Technologies or equivalent.

Electrical:

- The Contractor shall ensure that smoke detectors are installed in hallways and bedrooms.

Lighting and Fans:

- The Contractor shall ensure that all fixtures installed must use fluorescent bulbs.
- The Contractor shall install ceiling fans when appropriate.
- All ceiling fans shall have a light kit.

Energy Efficiency:

Energy Efficiency materials and products are encouraged. The Contractor shall make a good faith effort to install energy efficient materials and products when reasonably possible.

DRAFT 6.24.09 KT

Exhibit V

PUBLIC COMMENTS

As of the writing of this document, June 24, 2009, no comments had been received from the Public.