

Action Plan

Grantee: Orlando, FL

Grant: B-11-MN-12-0020

LOCCS Authorized Amount:	\$ 3,095,137.00
Grant Award Amount:	\$ 3,095,137.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 1,015,870.68
Total Budget:	\$ 4,111,007.68

Funding Sources

Funding Source

Funding Type

NSP-3

Do not select this item.

Narratives

Summary of Distribution and Uses of NSP Funds:

For the area of greatest need The City of Orlando has identified the following neighborhood area for the implementation of the Neighborhood Stabilization Program 3: The neighborhoods within the area bordered by S. Conway Road, Curry Ford Road, Semoran Boulevard and Lake Underhill Rd.

Approximately twelve (12) housing units are proposed to be acquired, rehabilitated and resold to eligible buyers. Program income from this activity will be used to acquire, rehabilitate and resell additional housing units. The City is addressing the needs for rental with NSP3 through a partnership with a not-for-profit agency.

NSP3 funds will be expended to acquire and rehabilitate approximately five (5) units to be leased to income eligible renters under 50% of AMI. Properties will be acquired at 1% or more discount.

The City of Orlando proposes to spend ten (10) % of NSP3 funds from each fiscal year of the duration of the program on administrative costs. Amendment Summary

The City of Orlando Housing and Community Development Department has amended the Annual Action Plan for the Neighborhood Stabilization Program 3 (NSP3).

The Amendment will expand program activities into one additional target area, and expedite the use of grant funds allocated. Engelwood Park Community has been identified as an additional target area with a high number of foreclosures, and likely will face a significant rise in home foreclosures in the future. With this amendment, the targeted units to be impacted are estimated to increase by eight. However, based on the actual number of foreclosures available and the actual cost of acquisition and rehabilitation, the number of units acquired may be more or less than the targeted impact number.

How Fund Use Addresses Market Conditions:

In order to target areas of greatest need where a significant impact could be realized, we analyzed the data from our larger NSP 1 target areas. We pulled reports for the neighborhood and selected the one with the highest scores which is near 20 and is above the State's minimum threshold of 17. The area selected has an NSP3 Neighborhood score of 19 and a threshold for impact of 17. To further drill down for impact, we selected those neighborhoods that met the Area Benefit Eligibility, the number of units required to make an impact and the amenities of the neighborhood that would make it sellable or attractive to prospective buyers or renters.

We were concerned that foreclosure rate data reviewed at this point in time (or on the HUD mapping tool, from June of 2010) would be a different scenario in September or October of 2011 when the program would actually begin. To address this, we reviewed the United States Postal Service data for the number of vacancies over ninety days. We also reviewed data on home value changes along with the unemployment data for the specific neighborhood. Based on vacancies, home value decreases and high rates of unemployment; we felt we could anticipate enough foreclosures in the area in 2011 to meet the impact number of 17. Local market conditions were assessed through www.mfrmlxchange.com, www.Orrealtor.com, MLS



and www.huduser.org/Datasets/nsp.html and reveal that during 2010, 63 homes were listed in the neighborhood, market prices were up by 6% in the last quarter (Oct – Dec 2010), the average active listing price was \$117,169.95 and the average sales price was \$113,206 with a prevailing interest rate of 4.92%. Currently, it takes 13.57 weeks to sell homes in the neighborhood; homes are listed for approximately 10.57 weeks and most homes are FHA financed, indicating ownership by LMI. In 2010 there were 27 foreclosed units, currently 80 units are delinquent. In this neighborhood 55% of sales were foreclosed homes and the neighborhood has an unemployment rate of 10.9%. This demonstrates that there is a market for acquisition and resale of single family homes. Data supports the use of NSP3 funds to sustain the neighborhood. The above data, combined with the City's experience implementing NSP1 in the area, were criteria used to determine the target neighborhood. The City will not use a tiered approach. No properties acquired will result in displacement.

Ensuring Continued Affordability:

Properties for sale: A restrictive covenant will be placed on the property to ensure that it remains an affordable home for low, moderate and middle (LMMI) income households for a prescribed period of time. The restricted covenant shall be in effect for a period based on the level of assistance that exceeds the HOME requirements.

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 low, moderate or middle income buyer, the property must be resold only to another low, moderate or middle 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).

Properties for Rent: A restrictive covenant will be placed on the property to ensure that it remains an affordable development for households at 50% or below AMI for a prescribed period of time. The restrictive covenant will remain in effect for the entire affordability period of thirty (30) years which exceeds HOME requirements. 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 eligible households and that the property continues to meet Housing Quality Standards.

Definition of 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.

Definition of Affordable Rents:

Rental fees that are subject to controls designed to ensure that payments are reasonable for households at 50% or less of the area median income (AMI). The NSP assisted units in a rental housing project must be occupied only by households that are under 50% of AMI for the length of the affordability period. For the purpose of NSP, the affordable rents shall be consistent with HOME rent requirements.

Housing Rehabilitation/New Construction Standards:

The rehabilitation of properties shall comply with the requirements detailed in the Dodd-Frank Act for NSP3 and the City's rehabilitation specifications, which can be accessed at www.cityoforlando.net/housing/

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 requirements are met.

Vicinity Hiring:

All NSP3 subrecipients, contractors and subcontractors will be required to demonstrate efforts to achieve Vicinity Hiring during the contracting and rehabilitation process through the following actions: placing signs or posters regarding hiring in prominent places within the development; distributing employment flyers to the residents at these developments, posting employment flyers in the area of the developments; maintaining a log of all applicants and indicate the reasons why vicinity residents who applied were not hired; retaining copies of any employment applications completed by public housing Section 8 certificate or voucher holders or other Section 3 residents; sending a notice about vicinity hiring and Section 3 training and employment requirements and opportunities to vicinity labor organizations or to worker representatives with whom the firm has agreements. The City will provide one on one training to selected partners.

These efforts are to provide for the hiring of qualified employees who reside in the vicinity of NSP3 projects and contracts with qualified small businesses that are owned and operated by persons residing within the target area vicinity. Subrecipients, contractors and subcontractors will be required to complete the "NSP3 Vicinity Hiring" form.

Procedures for Preferences for Affordable Rental Dev.:

The City will contract with partner(s) who are experienced in rental development and management of affordable housing. The NSP 3 Rental Housing will be available to low income residents whose household incomes are under 50% of the AMI. In our selected neighborhood, our impact number of five (5) meets the rental needs of the neighborhood.

Additionally, NSP3 partner(s) will be encouraged to work with local recipients of the American Recovery and Reinvestment Act (A.R.R.A.) Homelessness Prevention and Rapid Rehousing Program (HPRP) and the local recipient of the Continuum of Care (CoC) Demonstration grant for Rapid Re-housing to find eligible households to rent the properties once they have been rehabilitated.



Grantee Contact Information:

Alfred Arzuaga
alfred.arzuaga@cityoforlando.net
Phone: 407-246-2395
Fax: 407-246-3055
P.O. Box 4990
Orlando, FL 32802-4990

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Acquisition, Rehabilitation and	1370010	Acq, Rehab & Resale
2	Acquisition and Rehabilitation -	1371010	Acq & Rehab for Rental
3	Planning & Admin	087	Admin
9999	Restricted Balance		<i>No activities in this project</i>



Activities

Project # / 1 / Acquisition, Rehabilitation and Resale for

Grantee Activity Number: 1370010
Activity Title: Acq, Rehab & Resale

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 1

Projected Start Date:
 10/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LHMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
 Under Way

Project Title:
 Acquisition, Rehabilitation and Resale for

Projected End Date:
 09/30/2018

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,587,575.27

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,587,575.27

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	12			0.00
# of Households	12			0.00

Proposed Accomplishments	Total
# of Singlefamily Units	12
# of Housing Units	12
#Dishwashers replaced	3
#Clothes washers replaced	1
#Refrigerators replaced	6
#Light fixtures (outdoors) replaced	45
#Light Fixtures (indoors) replaced	85
#Replaced hot water heaters	9
#Replaced thermostats	1
#Efficient AC added/replaced	9
#Additional Attic/Roof Insulation	7



#Energy Star Replacement Windows 105
 # of Properties 12

Activity is being carried out by
 Yes

Activity is being carried out through:
 Contractors

Organization carrying out Activity:
 City or Orlando Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City or Orlando Housing and Community Development	Local Government	\$ 2,587,575.27

Location Description:

The City of Orlando has identified the following neighborhood area for the implementation of the Neighborhood Stabilization Program 3: The neighborhoods within the area bordered by S. Conway Road, Curry Ford Road, Semoran Boulevard and Lake Underhill Rd.

Activity Description:

Local market conditions were assessed through www.mfrmlxchange.com , www.Orrealtor.com, MLS and www.huduser.org/Datasets/nsp.html and reveal that during 2010, 63 homes were listed in the neighborhood, market prices were up by 6% in the last quarter (Oct – Dec 2010), the average active listing price was \$117,169.95 and the average sales price was \$113,206 with a prevailing interest rate of 4.92%. Currently, it takes 13.57 weeks to sell homes in the neighborhood; homes are listed for approximately 10.57 weeks and most homes are FHA financed, indicating ownership by LMI. In 2010 there were 27 foreclosed units, currently 80 units are delinquent. In this neighborhood 42% of sales were foreclosed homes and the neighborhood has an unemployment rate of 10.9%. This demonstrates that there is a market for acquisition and resale of single family homes. Data supports the use of NSP3 funds to sustain the neighborhood. The above data, combined with the City's experience implementing NSP1 in the area, were criteria used to determine the target neighborhood. To address the area condition, approximately twelve (12) housing units are proposed to be acquired, rehabilitated and resold to eligible buyers. Program income from this activity will be used to acquire, rehabilitate and resell additional housing units. The City is addressing the needs for rental with NSP3 through a partnership with a not-for-profit agency. Expected start date is October 2011 and completion within three years. NSP3 funds will be expended to acquire, rehabilitate and resell approximately 12 properties for homeownership. The cost to acquire, rehabilitate and resell these properties is estimated to be \$167,653.25 each. Properties will be acquired at 1% or more discount. Continued affordability will be insured through an executed restrictive covenant, restricting the use of the home to owners at or below 120% AMI for a period of seven to twenty years, depending on the level of assistance. Affordability period for each property will be based on the amount of assistance received as a disposition cost.

Environmental Assessment: COMPLETED

Environmental None



Project # / 2 / Acquisition and Rehabilitation - Rental

Grantee Activity Number: 1371010
Activity Title: Acq & Rehab for Rental

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 2

Projected Start Date:
 10/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:
 Under Way

Project Title:
 Acquisition and Rehabilitation - Rental

Projected End Date:
 09/30/2018

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,112,332.36
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 1,112,332.36

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	5	5		100.00
# of Households	5	5		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	5
# of Multifamily Units	
# of Housing Units	5
#Dishwashers replaced	3
#Refrigerators replaced	5
#Light fixtures (outdoors) replaced	15
#Light Fixtures (indoors) replaced	35
#Replaced hot water heaters	3
#Efficient AC added/replaced	3
#Energy Star Replacement Windows	45
# of Properties	5



Activity is being carried out by

Yes

Activity is being carried out through:

Contractors

Organization carrying out Activity:

City or Orlando Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City or Orlando Housing and Community Development	Local Government	\$ 1,112,332.36

Location Description:

The City of Orlando has identified the following neighborhood area for the implementation of the Neighborhood Stabilization Program 3: The neighborhoods within the area bordered by S. Conway Road, Curry Ford Road, Semoran Boulevard and Lake Underhill Rd.

Activity Description:

To assess the need for rental housing, data from the subdivisions within the target area were analyzed and revealed there are approximately 1819 single family units of which, 383 are rentals. Overall rents in the area are at or below Fair Market Rent (FMR). The area has an unemployment rate of 10.9% and a vacancy rate of approximately 5%. This data supports a continued need for affordable housing in the target area.

To promote high occupancy ratios and ensure continued affordable rentals, 25% of the City's NSP 3 allocation will be used to acquire and rehab units, and create long term affordable rental housing for very low income households at or below 50% AMI. NSP3 funds will be expended to acquire and rehabilitate approximately five (5) units to be leased to income eligible renters under 50% of AMI. The cost to acquire and rehabilitate these properties is estimated to be \$154,756.85 each. Properties will be acquired at 1% or more discount.

\$15,000 in Rehabilitation costs will be leveraged with City of Orlando HOME funds for each unit. An affordability period of 30 years will apply.

Expected start date is October 2011 and completion in June of 2014. Continued affordability will be insured through an executed restrictive covenant, restricting the use of the home to owners at or below 120% AMI for a period of seven to twenty years, depending on the level of assistance.

Affordability period for each property will be based on the amount of assistance received as a disposition cost.

Environmental Assessment: COMPLETED

Environmental None

Project # / 3 / Planning & Admin

Grantee Activity Number: 087

Activity Title: Admin

Activity Type:

Activity Status:



Administration

Project Number:

3

Projected Start Date:

10/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Benefit Report Type:

NA

Under Way

Project Title:

Planning & Admin

Projected End Date:

09/30/2018

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 411,100.05

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 411,100.05

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City or Orlando Housing and Community Development

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City or Orlando Housing and Community Development

Organization Type

Local Government

Proposed Budget

\$ 411,100.05

Location Description:

The City of Orlando has identified the following neighborhood area for the implementation of the Neighborhood Stabilization Program 3: The neighborhoods within the area bordered by S. Conway Road, Curry Ford Road, Semoran Boulevard and Lake Underhill Rd.

Activity Description:

The City of Orlando Housing and Community Development Department shall be responsible for administering



the Neighborhood Stabilization Program 3 (NSP3), 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 NSP3. The City of Orlando proposes to spend ten (10) % of NSP3 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 NSP3 plan. Consultants may be hired to conduct certain studies and to deliver services.

Environmental Assessment: EXEMPT

Environmental None

Action Plan Comments:

- Reviewer - 4/11/11: AP rejected because budgets were not provided for the three activities planned.
- Reviewer - 4/18/11: AP approved
- Reviewer - Plan modification approved; budget allocation revised from Activity 1 and Activity 2. Activity 1 decreased budget from \$2,011,839 to \$1,785,624 and Activity 2 increased budget from \$773,785 to \$1,000,000. sk 4/26/12
- Reviewer - Grantee made changes that were not saved. Rejecting so that changes can be added. sk 11/27/12
- Reviewer - Amendment Summary has been added to include one additional target area. 11/28/12
- Reviewer - Grantee increased program income, but did not increase activity budgets, rejecting plan to allow grantee to increase LH25 activity for compliance with set a side requirements. LS 3/21/14
- Reviewer - Plan modification is approved to increase budget for compliance with the 25% set aside requirement. LS 3/27/14
- Reviewer - Minor budget adjustments for program income and revisions to contact information
- Reviewer - minor budget adjustment under Activity 7, Low Income, because there were previous drawdowns for properties sold to qualifying families that were still under Activity 2. All relevant drawdowns have been revised.
- Reviewer - No modifications, Grantee was reviewing action plan only.

Action Plan History

Version	Date
B-11-MN-12-0020 AP#1	04/18/2011
B-11-MN-12-0020 AP#2	04/26/2012



B-11-MN-12-0020 AP#3	11/28/2012
B-11-MN-12-0020 AP#4	03/27/2014
B-11-MN-12-0020 AP#5	10/23/2015
B-11-MN-12-0020 AP#6	11/04/2016
B-11-MN-12-0020 AP#7	02/09/2017
B-11-MN-12-0020 AP#8	11/19/2019

