

Hillsborough County Affordable Housing Services Neighborhood Stabilization Program 3

Multifamily Funding Application

January 23, 2012

Introduction

The Neighborhood Stabilization Program (NSP) was enacted as a portion of the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010. The U.S. Department of Housing and Urban Development (HUD) was charged with the oversight of this program and has subsequently awarded Hillsborough County with \$8,083,062 in funding. The Program requires the County to set aside 25% of their NSP funds for housing that serves lower income persons (households whose incomes are 50% or below of the area median income). Note that this is limited to abandoned or foreclosed upon homes or residential properties. The NSP3 target areas that received HUD approval are defined in the maps within this Request for Proposals (RFP).

HUD has the position that the set-aside funds for lower income persons are for permanent housing only. As defined in the CDBG regulations, shelters for persons with special needs (such as homeless shelters and halfway houses) are public facilities. Because public facilities are not defined as permanent housing, they will not count towards the set aside requirement that 25% of the NSP funds "be used to house individuals or families whose incomes do not exceed 50% of area median income." Therefore public facilities will not be considered for funding under this Request for Proposals.

The Affordable Housing Services Department (AHS) invites eligible non-profit and for-profit organizations to submit proposals for the acquisition, rehabilitation, and operation of multi-family rental housing that will count toward the 25% set aside requirement.

Eligible Applicants

Eligible applicants include non-profit and for-profit organizations that have been operating in good standing with the State of Florida for a minimum of two years. Any party on the Excluded Parties List System (<https://www.epls.gov/>) is considered ineligible for funding.

Eligible NSP Activities

For purposes of this Request for Proposal, one or more of the following activities are eligible that result in the provision of multi-family rental housing:

1. **Purchase and Rehabilitation:** For multi-family properties that have been abandoned or foreclosed upon. Each property must be purchased at a discount of at least one percent (1%) from the current market-appraised value of the property. The NSP Notice defines "abandoned" and "foreclosed" as follows:

NSP Notice Definition: Abandoned. A home or residential property is abandoned if either a) mortgage, tribal leasehold, or tax payments are at least 90 days delinquent, or b) a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies, or c) the property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to state or local law or otherwise meets a state definition of an abandoned home or residential property.

NSP Notice Definition: Foreclosed. A home or residential property has been foreclosed upon if any of the following conditions apply: a) the property's current delinquency status is at least 60 days delinquent under the Mortgage Bankers of America delinquency calculation and the owner has been notified of this delinquency, or b) the property owner is 90 days or more delinquent on tax payments, or c) under state, local, or tribal law, foreclosure proceedings have been initiated or completed, or d) foreclosure proceedings have been completed and title has been transferred

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to an intermediary aggregator or servicer that is not an NSP grantee, subrecipient, contractor, developer, or end user.

2. **Redevelop Demolished or Vacant Properties:** This Eligible Use allows communities to address the broadest range of property types. Because the legislation does not limit this use to homes and/or residential properties, HUD will permit grantees to acquire and redevelop ANY property type. This includes commercial or industrial property in addition to all types of residential property. Note that property acquired under Redevelopment need not be abandoned or foreclosed upon. However, it **MUST** be vacant. "Vacant properties" includes both vacant land and properties with vacant structures on the land. However, HUD understands redevelopment to imply that properties were once developed; therefore undeveloped or "greenfield" sites may not be acquired under Eligible Use E. HUD expects that, unlike land banks, properties acquired and improved under Eligible Use E must proceed expeditiously to construction. Properties that are eligible to be land banked with unknown end uses, or for which the end use is not imminent, should be considered for Land Banks (assuming that they have been foreclosed upon). Some corollary considerations also merit discussion, which follows the next section on housing for low-income persons.

The County will allow and pay Developer Fees that are fair and reasonable as part of the acquisition and rehabilitation process. The County will pay a developer fee (5-10%) that is appropriate for the degree of risk, the contribution of equity and equity enhancements, the proposed total development schedule and development budget. Development fees and other soft/project related costs associated with the acquisition and rehabilitation shall be considered "Program Delivery" type costs and will be charged to the individual projects assisted.

Available Funds

The AHS is seeking proposals from eligible developers to utilize approximately **\$6,000,000** in County NSP funding.

Service Area

All properties must be located in the University of South Florida NSP3 Target Areas. See attached map.

Affordability Period and Loan Terms

AFFORDABILITY PERIODS

Hillsborough County will ensure long term affordability through the use of a Land Use Restrictive Agreement (LURA) that will be recorded against the property. If an owner who has been assisted through this program transfers title to the property before the affordability period expires, the assistance provided by the County will be subject to recapture. The County will annually monitor the multi-family rental developments that are assisted with NSP funds during the affordability period to ensure that the specified units are affordable, made available to income eligible tenants, and that the property(s) continue to meet minimum housing quality standards.

In addition, all properties receiving NSP funding will be secured by a recorded mortgage on the property, in favor of the County. Permanent loans shall be for 20 year and are non-recourse debt secured by a mortgage and note. In general, construction loans shall not exceed 24 months (from issuance of the notice to proceed to certificate of occupancy).

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If the loan is deferred payment, it will generally be non-amortizing. However, based on the financing requirements of a particular project, the AHS may charge and accrue interest on deferred payment loans or amortizing loans. Repayment on deferred payment loans is made from available surplus cash flow, if any. In general, repayment will be required on an annual basis as a project is reviewed for regulatory compliance and it is determined through the project financial statements or audits that the project has produced surplus cash flow. This repayment will be based on a percent of the annual surplus cash (typically 25-50%) and will reduce the loan by the amount of accumulated payments resulting from surplus cash. Repayments will be applied first to accrued interest, if any.

Rent and Occupancy Requirements

The County shall distinguish between the units in a project that have been assisted with NSP funds and those that have not. A project may consist of units with various sizes, characteristics, and amenities, some of which may be County-assisted, while others are not. County-assisted units refers to the units within a project for which rent, occupancy and/or resale restrictions apply. The number of units designated as County-assisted will affect the maximum subsidies that may be provided to a project.

These NSP projects are subject to the rent limits noted in the Substantial Amendment. Ideally there should be units designed to help make rents affordable to low-income households. In order to meet the setaside requirements of the NSP3, there will need to be setaside units for households with income less than 50% of Area Median Income.

2012 CURRENT RENT LIMITS

	Efficiency	1 BR	2 BR	3 BR	4 BR
50% Rent Limit	\$493	\$529	\$635	\$733	\$818
Fair Market Rent	\$690	\$766	\$926	\$1173	\$1417

The maximum Affordable Rents shall not exceed the Fair Market Rents (FMR) as published annually by the U.S. Department of Housing and Urban Development for the Tampa-St. Petersburg-Clearwater Metropolitan Statistical Area (MSA). The County will review and approve the rents charged on an annual basis.

Income Eligibility Standards

All NSP funded rental units must be made available exclusively to individuals or families whose incomes do not exceed 120 percent of the area median income. Household income limit information is updated annually by HUD.

DEFINITIONS:

a) Program income means gross income received that is directly generated from the use of NSP funds. More specifically, gross income from the use or rental of real or personal property acquired by the subrecipient/developer with NSP funds, less costs incidental to generation of the income or gross income from the use or rental of real property, owned by the subrecipient/developer, that was constructed or improved with NSP funds, less costs incidental to generation of the income;

b) Subrecipient means a public or private nonprofit agency, authority, or organization, or a for-profit entity authorized under Sec. 570.201(o), receiving NSP funds from the recipient or another subrecipient to undertake activities eligible for such assistance under subpart C of this part. The term does not include contractors providing supplies, equipment, construction, or services subject to the procurement requirements in 24 CFR 85.36 or 84.40, as applicable.

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c) **Developer** - Non-profit organizations, For-profit organizations or individuals under §570.202(b)(1) can be given assistance to acquire residential property for the purposes of rehabilitation, resale, or use. The sales price of properties sold to NSP income-eligible individuals cannot exceed total costs (acquisition, rehabilitation, and development costs). Therefore, entities treated as developers must work within these parameters to generate a profit. If engaged in rehabilitation, or for acquisition prior to rehabilitation, entities treated as developers may be selected through a competitive procurement process or may be designated as grant recipients without a procurement process. See §85.36 for procurement guidance. For rental projects or others not sold to individuals for use as a primary residence, revenues are not considered Program Income. In addition, such entities are not subject to recordkeeping or audit requirements that do apply to subrecipients. This flexibility creates a burden on the grantee to underwrite all such transactions to avoid undue enrichment.

Application Process

The AHS is seeking proposals from organizations that can demonstrate the capability and capacity of developing multifamily properties and invites organizations with eligible projects to submit proposals.

Prior to responding to the RFP, each qualified organization is urged to review the RFP and read the instructions carefully. Before submitting the proposal, check all calculations and review the package for completion of all forms and sections. Inaccuracies, omissions and use of RFP forms from previous competitions will be grounds for rejection.

RFP TIMELINE

January 30, 2012	Technical Assistance Workshop (9:00 a.m.)
February 24, 2012	Deadline for Proposals (2:00 p.m.)
Week of February 27, 2012	Applicant interviews
Week of February 27, 2012	Application Evaluation Committee makes recommendations to the AHS Director
March 2012	Conduct contract negotiations with successful Applicants.

DEADLINE

Proposals are due no later than 2:00 p.m. Friday, February 24, 2012 and must be date stamped by the Affordable Housing Services Department for official time received. Proposals are to be submitted at:

Hillsborough County
Attention: Mike Marshall
Affordable Housing Services Department
1208 Tech Boulevard, Suite 300
Tampa, FL 33619

Proposals submitted by fax or email will not be accepted.

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Questions

Any questions concerning this RFP must be submitted in writing via email or correspondence. All responses will be returned in writing to the applicant and all other interested parties. Correspondence can be sent to:

Michael Marshall, Contracts Manager
Affordable Housing Services
1208 Tech Blvd., Suite 300
Tampa, FL 33619
or emailed to marshallmw@hillsboroughcounty.org

TECHNICAL ASSISTANCE WORKSHOP

Attendance of the Technical Assistance Workshop is highly recommended for any organization submitting a proposal in response to this Request for Proposal (RFP). At this workshop, staff will provide an overview of project expectations and will be available to answer any questions regarding program requirements and the application process. This workshop will be held:

DATE: Monday January 30, 2012
TIME: 9:00 a.m.
LOCATION: Affordable Housing Services Department
1208 Tech Boulevard, Suite 300
Tampa, FL 33619

RFP REVIEW PROCESS

Staff will conduct an initial review to determine whether the project is eligible and that the proposal is complete. The Applicant will be notified in writing if the initial review determines the proposal is either ineligible or incomplete.

EVALUATION CRITERIA

All eligible, complete proposals will be reviewed and ranked by an Application Evaluation Committee. Proposals will be reviewed and scored on a competitive basis relative to the evaluation criteria below. **The maximum possible score is 100.**

Upon successful completion of the preliminary evaluation, the Application Evaluation Committee will review and rank each proposal based upon the evaluation criteria as set forth below:

- 1. Demographic Commitment (5 points).** Applicant(s) will receive 5 points for projects that exclusively serve senior citizens, severely disabled (as defined by the Bureau of Census Current Population Reports), victims of domestic violence, homeless persons, or children aging out of foster care.
- 2. Organizational Capacity and Relevant Experience (20 points).** Applicant(s) will receive scores ranging from 0 to 25 points based upon the capacity of the organization to manage and relative experience with similar projects and federal funding. Factors that will be considered include current staff and organizational capacity and the commitment of other funding sources. Please provide a list of projects your organization is currently working on and any anticipated projects that your organization will undertake in the next 1-3 years.

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3. **Financial Capacity of the Organization (15 points).** Applicant(s) will receive scores ranging from 0 to 15 based upon evidence indicating that the Applicant has the financial capacity to implement the proposed activity.
4. **Project Financial Viability (20 points).** Applicant(s) will receive scores ranging from 0 to 20 based upon evidence of long-term project viability. Special areas of focus will include an examination of the operating pro forma to determine if adequate reserves will be established and projections appear realistic; the marketing strategy; and demonstrated understanding of the total project scope.
5. **Ability to Proceed (15 points).** Applicants(s) will receive scores ranging from 0 to 10 points based upon their demonstration of readiness to proceed. Factors that will be considered include site control, potential environmental issues, staffing, and the commitment of other funding sources.
6. **Leveraging of Funds (15 points).** Applicants(s) will be awarded points based upon the funds requested (plus any other County funds already committed) divided by total project cost. Points will be awarded for the proposed percentage of County funds in the project as follows:
 - a. 10 points = 50% or more of the project is leveraged
 - b. 8 points = 40-49% or more of the project is leveraged
 - c. 6 points = 30-39% or more of the project is leveraged
 - d. 4 points = 20-29% or more of the project is leveraged
 - e. 2 points = 10-19% or more of the project is leveraged
 - f. 0 points = Less than 10% of the project is leveraged
7. **Commitment to Provide Rental Units to Households Making Less than 50% AMI (10 Points).** Applicants will be awarded points based upon the percentage of units that affordable to households making 50% or less of Area Median Income. Points will be awarded for the percentage of units with rents affordable to 50% of AMI as follows:
 - a. 10 Points - >50% of the units
 - b. 5 Points – 25 – 49%
 - c. 2 Points – 10 -24%
 - d. 0 Points - <10%

All responses to this RFP will be reviewed by an Application Evaluation Committee. The Committee will perform a preliminary review of all proposals, with a follow-up interview of each applicant. At the interview, applicants will be required to make a 3 to 5 minute presentation on the merits of their project. The presentation will be followed by a question and answer session conducted by the Committee. These presentations will be open to attendance by the public and other applicants. It is the responsibility of the Committee to ensure that each proposal contains all the information and documents required to verify that the proposal is appropriate for funding.

Additionally, committee members may visit the proposal sites, which may impact the final funding recommendation.

If a proposal is determined to be ineligible, the Applicant is informed and the proposal is withdrawn from consideration. In cases where there is uncertainty as to the proposal's eligibility, the County will request technical assistance from the U.S. Department of Housing and Urban Development for a final decision.

The Committee will evaluate proposals based on information provided in the original submission, but have the option of requesting additional information for clarification purposes.

AWARD RECOMMENDATIONS

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The Committee will make funding recommendations to the AHS Director. Projects must score a minimum of 70 points to be eligible for funding. However, obtaining a score of 70 or above does not guarantee that the project will receive funding. The number of awards will be determined by the number of qualifying Applicants and the amounts requested by each. Award amounts may not be equal to the full amount requested in the proposal.

The AHS Director will confirm or revise the recommendations and will subsequently make tentative commitments. Final funding commitment will occur following the appeal period and once an independent third-party underwriter performs an analysis of the approved proposals and provides verification to the County that the proposals are acceptable.

The underwriter will confirm that the forecasted initial year Debt Coverage Ratio (DCR) shall be at a minimum, no less than 1.15. In the case of a project supported by a long-term rent subsidy contract or other extenuating circumstance, the initial year DCR will be adjusted accordingly. A higher DCR may be used in cases of small or special use projects where there is higher than normal risk. In general, the following minimum DCR range will apply for such projects:

<u>Project Size (# of units)</u>	<u>Minimum DCR</u>
1-5	1.50
6-10	1.40
11-15	1.30
16-20	1.20
> than 20	1.15

As part of the subsidy layering analysis, the AHS will utilize this DCR table to ensure that a project receives no more capital subsidy than is necessary to make the project financially feasible.

The maximum loan to value ratio shall be 90%, except for projects owned or sponsored by a non-profit or limited equity cooperative for which the maximum LTV shall be 95%. Non-amortizing or deferred payment loans may be excluded from the LTV calculation.

If the County has committed funds to a project that can no longer proceed (i.e. other required funding is no longer available, site is not feasible due to environmental issues, etc.), the County reserves the right to redistribute funds to other applicants with qualifying proposals. At the County's discretion, the funding commitment may be increased based on funding availability and need.

DISCLAIMER

The County reserves the right to: 1) accept or reject any or all proposals received; 2) waive any non-substantive deficiency or irregularity; 3) negotiate with any qualified Applicant; 4) award a contract in what it believes to be the best interest of the County; 5) cancel this request, in part or its entirety, if it is deemed to be in the best interest of the County; 6) reject the Proposal of any Applicant who has previously failed to perform properly; 7) reject the Proposal of any Applicant who has failed to complete a contract within the specified timeframe; 8) reject the Proposal of any Applicant that is not in a position to fulfill a resulting contractual obligation. This Request for Proposals (RFP) does not commit the County to award any contract, pay any pre-award expenses, or pay any costs incurred in the preparation of a Proposal.

PROTEST PROCESS

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In the event an applicant (1) did not submit a complete package and will not be considered for funding, (2) is ineligible to receive funding, (3) was not recommended for funding by the Evaluation Committee or was not confirmed by the Director of Affordable Housing Services, AHS will notify the applicant in writing. This notice will be sent via email and followed by certified mail with the return receipt requested.

If the applicant wishes to protest, it must do so not later than five (5) working days from the email date notifying the Applicant of the results of the recommendation. The applicant must send a letter to the Director of Affordable Housing Services that includes all pertinent documents and information necessary to support the applicant's position.

If Affordable Housing Services receives a protest within the five (5) working day period and the AHS Director concurs with the applicant, the applicant will be notified, and the protest process will be concluded.

If the AHS Director does not concur with the applicant, the applicant will be notified of the decision and that it may protest to the County Administrator. This notice will be sent via email and followed by certified mail with the return receipt requested.

If the applicant wishes to protest to the County Administrator, it must do so not later than Five (5) working days from the date the Director of Affordable Housing Services protest decision is sent. The applicant must contact the Director of Affordable Housing Services via email and send a letter to the AHS Director requesting that the protest be forwarded to the County Administrator.

If the AHS Director receives the protest within the five (5) working day period the AHS Director will provide information for review by the County Administrator. If the County Administrator concurs with the applicant, the applicant will be notified, and the protest process will be concluded.

If the County Administrator does not concur with the applicant, the applicant will be notified via email and followed by certified mail with return receipt requested of the County's intent to proceed. The County Administrator's response will constitute the applicant's final administrative action with regard to its protest.

If an applicant fails to protest or respond at any point in the process, the applicant waives its rights to protest. Protests or responses received after the five (5) day time period will not be considered.

The AHS Director has the authority to determine whether or not an award will be deferred pending the outcome of a protest.

DISCLAIMER

The County reserves the right to: 1) accept or reject any or all packages received; 2) waive any non-substantive deficiency or irregularity; 3) negotiate with any qualified applicant; 4) award a contract in what it believes to be the best interest of the County; 5) cancel this request, in part or its entirety, if it is deemed to be in the best interest of the County; 6) reject the package of any applicant who has previously failed to perform properly; 7) reject the package of any applicant who has failed to complete a contract within the specified timeframe; 8) reject the package of any applicant that is not in a position to fulfill a resulting contractual obligation. This RFP does not commit the County to award any contract, pay any pre-award expenses, or pay any costs incurred in the preparation of a package.

Contract Procedures for Successful Applicant

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Mandatory training will be held for the successful applicant following a Notice of Award to provide information that will enable it to carry out its contractual responsibilities. Information is given on the proper completion of financial reports and the proper documentation required for reimbursements.

The AHS will monitor the successful applicant to ensure program compliance. Monitoring is an ongoing process that assesses the quality of program performance over the duration of the contract. Monitoring provides information for making informed judgments about program effectiveness and management efficiency, as well as identifies internal weaknesses that may contribute to fraud or abuse. The procedures established are to ensure program compliance with the requirements of the County and other applicable laws and regulations.

- **Desk Monitoring:** Desk monitoring is the review of pertinent program/project documents submitted by the successful applicant. Staff uses the contract agreement and its amendments as a basis for conducting the desk monitoring of specific projects. Quarterly reports and reimbursement requests forms submitted by the successful applicant is the primary information used by the staff for desk monitoring. Desk monitoring also includes a self-monitoring component where an audit of the department files is conducted through a data collection tracking system to ensure complete and accurate documentation is being maintained.
- **Internal & Onsite Monitoring:** Internal and onsite monitoring may include, but is not limited to: 1) Review of program and financial records, 2) Project files to verify supporting documentation is available and maintained, and 3) Internal policies and procedures as applicable to the program. Onsite reviews will be conducted annually to assess capabilities of the successful applicant and its staff in implementing projects in accordance to the terms of the contract agreement.
- **Quarterly Reports:** Quarterly reporting is a requirement of the contract agreement. The information contained in the quarterly reports permits County staff to monitor program and financial performance of the successful applicant and allows early identification of potential compliance problems. The quarterly reports are required to be submitted regardless of the level of activity or expenditure.

Other Requirements:

Affirmative Marketing

Any entity applying for funds for development activities that will result in five or more County assisted units must adopt an affirmative marketing plan including affirmative marketing procedures and requirements. Affirmative marketing requirements and procedures must include:

1. Methods for informing the public, owners and potential tenants about fair housing laws and Hillsborough County's policies;
2. A description of what owners and/or the property managers will do to affirmatively market housing assisted with NSP Program funds;
3. A description of what owners and/or the property managers will do to inform persons not likely to apply for housing without special outreach;
4. Maintenance of records to document actions taken to affirmatively market NSP assisted units and to assess marketing effectiveness; and
5. A description of how efforts will be assessed and what corrective actions will be taken when requirements are not met.

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Appraisals

Acquisitions financed with NSP grant funds are subject to the Uniform Relocation Act (URA), and its implementing regulations at 49 CFR Part 24, and the requirements set forth in the NSP Notice that was published in the Federal Register on October 6, 2008, as amended. The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the URA at 49 CFR 24.103 and completed **within 60 days** prior to an offer made for the property by a grantee, subrecipient, developer, or individual homebuyer.

The following guidance on appraisals pertains to acquisitions of foreclosed upon homes and residential properties which meet the applicable voluntary acquisition requirements of 49 CFR 24.101(b) and reflects applicable URA and NSP requirements, including the URA appraisal requirements of 49 CFR 24.103.

1. A County selected appraiser will be utilized to determine the market value of the property. The County has selected appraisers that can meet requirements established in the URA. If an appraisal has already been obtained that will meet the 60 day requirement, the County will have its appraisal reviewer to confirm the market value.
2. The successful bidder shall inform the owner in writing of what the market value of the property is considered to be based upon the appraiser's valuation. NSP funds will not be utilized to acquire the property if negotiations fail to result in an amicable agreement (see 49 CFR 24.101(b)(1) & (b)(2)).
3. If NSP funds are to be used to acquire a foreclosed upon home or residential property (other than through donation), the purchase price must be discounted at least one percent (1%) from the value established by an appraisal that meets the following requirements:
 - a. The appraisal must have been completed within 60 days of the offer made for the property (we have advised that an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).
 - b. The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):
 - i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
 - ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.
 - iii. A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.

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- iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.
 - v. The effective date of valuation, date of appraisal, signature, and certification of the appraiser.
- c. The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.
 - d. If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.

Minority and Women's Business Enterprises

The requirements of Executive Orders 11625, 12432, 12138 and 24 CFR 85.36(e) apply to grants under this part. Consistent with HUD's responsibilities under these Orders, the Applicant must make efforts to encourage the use of minority and women's business enterprises in connection with funded activities. MBE reporting on contractor activity is required to be submitted to AHS quarterly.

Section 3

Section 3 of the Housing Development Act of 1968 will apply as amended (12 U.S.C. 1701U), relative to the hiring and training of low- and moderate-income persons and the use of local Section 3 certified businesses. The purpose of Section 3 is to ensure that the employment and other economic opportunities generated as a result of U.S. HUD assistance or by a U.S. HUD-assisted project covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very-low income persons, particularly persons who are recipients of U.S. HUD housing assistance.

Labor Standards

Labor standards requirements apply to any construction, rehabilitation, alteration, or repair, including painting, flooring, and decoration, in an amount of \$2,000 or more, or 8 units or more, any part of which is federal money. These standards include:

- Paying workers the prevailing federal wages and fringe benefits effective at the time the job is contracted must be paid. (This information is provided by HUD through AHS).
- Paying workers weekly and submitting certified payrolls weekly in the prescribed format. The payrolls must include details of each worker's job classification, hours worked, and wages and benefits paid. Certified payrolls must be reviewed as soon as they are received and compared to the appropriate federal wage decision. Any discrepancies must be resolved immediately.
- Workers must be interviewed on the job site regarding appropriate job classification and wages and benefits received. Employee interviews must be compared to the appropriate federal wage decision. Any discrepancies must be resolved immediately.
- Contractor and successful bidder must maintain all records for a minimum of five years of the completion of the project.

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Contractors and subcontractors must comply with Federal laws and regulations regarding labor standards and the HUD Handbook 1344.1 (Federal Labor Standard Compliance in Housing and Community Development Programs) as applicable to the project.

The prevailing wage provisions do not apply to volunteers who receive no compensation and are not otherwise employed at any time in the construction work. The provisions also do not apply to members of a family providing labor in exchange for acquisition of a property for homeownership or in lieu of, or as a supplement to, rent payments. For more information about labor standards, see 24 CFR 570.603. The AHS will have a Davis Bacon Wage Consultant to assist in processing and reporting Davis Bacon activities.

Environmental Review

The environmental effects of each NSP funded activity must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58. This review is completed by AHS. No activity may commence until the environmental review has been completed and the Finding of No Significant Impact has been received and approved by HUD.

Flood Insurance

Under the Flood Disaster Protection Act of 1973 (U.S.C. 4001-4128), NSP funds may not be used with respect to the acquisition, new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless flood insurance is obtained as a condition of approval or commitment. Flood insurance will be required to be maintained on the property for the term of the mortgage and note.

Accessibility

In addition to the Fair Housing Act, HUD has enforcement obligations under the Rehabilitation Act of 1973 and the Americans with Disabilities Act (ADA), which provide additional protections to persons with disabilities. Together, these federal laws require housing providers, state and local governments, and all recipients of federal financial assistance to ensure accessibility for persons with disabilities.

Public facilities and buildings, as well as all projects receiving federal financial assistance, must be designed, constructed and altered to be fully accessible to people with mobility and sensory impairments.

The Fair Housing Act applies to both public and private housing. Under the Fair Housing Act, new multifamily buildings must be designed and constructed to have fully accessible common areas. These buildings must also incorporate basic adaptive features in ground floor and elevator-accessible dwelling units to allow for use by people with disabilities. In addition to these requirements, when housing is created using federal funding, at least 5% of a project's dwellings must be fully accessible to people with mobility impairments, and an additional 2% must be accessible to people with vision and hearing impairments.

Recipients of HUD funding include, but are not limited to, public housing authorities, CDBG entitlement entities, and private organizations receiving HUD grant monies. Recipients must ensure full compliance with these federal laws and must also ensure compliance by all sub-recipients to whom funds are distributed. The Uniform Federal Accessibility Standards, the ADA Accessibility Guidelines, and the Fair Housing Act Accessibility Guidelines set forth architectural specifications for features of accessible design, such as ramps, passable doorways, and Braille signage.

HUD encourages state and local governments to adopt local building codes that comply with the accessibility requirements of the Fair Housing Act. In this regard, HUD has recognized ten "safe harbor"

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model building codes which fully comply with the Fair Housing Act's accessibility requirements. HUD provides free training and technical assistance on the Fair Housing Act's design and construction requirements through its Fair Housing Accessibility FIRST program. For more information, please visit www.fairhousingfirst.org. The Applicant must comply with the applicable provisions of the Americans with Disabilities Act (42 U.S.C. 12101-12213) and assist the County with complying with the implementing regulations at 28 CFR part 35.

Lead-Based Paint

The utilization of NSP funds requires the County and its partners to ensure that their activities comply with the same lead regulatory requirements that apply to Community Block Grant Development programs. These requirements are in the Lead Disclosure Rule (24 CFR part 35, subpart A), and the Lead Safe Housing Rule's provisions for rehabilitation (subpart J), and for acquisition, leasing, support services, or operation (subpart K), and the accompanying procedural requirements in subparts B and R. For more information regarding compliance with the Lead rules, visit the OHHLHC's web site at: www.hud.gov/offices/lead/enforcement/regulations.cfm.

Uniform Relocation Act

The Uniform Act, passed by Congress in 1970, is a federal law that establishes minimum standards for federally funded programs (see Accessibility Section above) and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The Uniform Act's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects. The Applicant agrees to adhere to 49 CFR Part 24, the government-wide regulation that implements the URA, and HUD Handbook 1378, which provides HUD policy and guidance on implementing the URA and 49 CFR Part 24 for HUD funded programs and projects. For additional information visit the HUD website at: <http://www.hud.gov/offices/cpd/library/relocation/nsp/index.cfm>.

Conflict of Interest Provisions

Applicants must guarantee that no member of, or Delegate to, the Congress of the United States shall be admitted to any share or part of this contract or to any benefit to arise from the same. Additionally, the Applicant must agree that no members of the governing body of the locality in which the Project Sponsor is situated, no other public official of such locality or localities, and no person, unless expressly permitted by HUD, who is an employee, agent, consultant, officer, or elected or appointed official of the Applicant, and who exercises or has exercised any functions or responsibilities with respect to NSP-assisted activities, or who is in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the NSP-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or with respect to the proceeds thereunder, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter.

The Applicant must agree that the codes of conduct provisions in 24 CFR § 84.42 shall apply to the procurement of supplies, equipment, construction and services. In all cases not governed by 24 CFR 84.42, the provisions of 24 CFR 92.356 shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the Applicant assistants of the Applicant to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to 24 CFR 92).

The Applicant must represent that it has no interest, and shall not acquire such interest, financial or otherwise, direct or indirect, nor engage in any business transaction or professional activity or incur any obligation of any nature which would conflict in any manner with the performance of scope of service required hereunder.

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Without receiving prior written authorization by the County, the Applicant shall not (i) retain any individual or company with whom the Applicant or any individual member thereof has a financial or other conflict of interest; nor (ii) in fulfillment of this Agreement, do business with a for-profit entity in which the Applicant or any individual member has a financial or other interest therein.

The Applicant warrants to the County that no gifts or gratuities have been or will be given to any County employee or agent, either directly or indirectly, to obtain this Award.

Rehabilitation Standards

All housing that requires rehabilitation must meet local building codes including the Standard Southern Building Code (SBCCI), and ordinances pertaining to providing housing that is decent, safe, sanitary, and fit for habitation. Hillsborough County's Written Rehabilitation Standards will be used to describe in detail the specifications for the rehabilitation work needed to bring substandard housing into compliance with Ordinance 04-18, as amended, which defines the minimum housing code for Hillsborough County. These standards can be found on the County's web site located at:
<http://www.hillsboroughcounty.org/affordablehousingoffice/nsp/>

Maintenance of Records

The successful applicant will keep adequate records and supporting documentation applicable to this request. Said records and documentation will be retained by the applicant for a minimum of five (5) years from the date the loans provided to the applicant under this RFP are satisfied or assumed by an eligible individual or family, or the affordability period expires, whichever is later. The County and its authorized agents shall have the right to audit, inspect and copy all such records and documentation as often as the County deems necessary during the period of this contract and during the period of five (5) years thereafter. The five (5) year time period will be extended until audit findings are issued if an audit is initiated during the five(5) year period. Such activity shall be conducted only during normal business hours. The County, during the period of time expressed by the preceding sentence, shall also have the right to obtain a copy of and otherwise inspect any audit made at the direction of the applicant as concerns the aforesaid records and documentation.