



Hillsborough County

Neighborhood Stabilization Program

Management Plan

Prepared by Hillsborough County Affordable Housing Department

Rev. May 20, 2009

Hillsborough County will receive \$19,132,978 in Neighborhood Stabilization Program (NSP) funds and will implement the activities noted in the Neighborhood Stabilization Plan approved by the U.S. Department of Housing and Urban Development (HUD) on December 29, 2008. These activities include: Planning and Administration, Purchase and Rehabilitation, Demolition, Redevelopment and Land Banking. Additional activities may be pursued within the required substantial amendment process. The NSP obligation period started on March 3, 2009 with a deadline of September 3, 2010 to obligate the funds (except all planning and administration). The lead agency for administering the Neighborhood Stabilization Program with Hillsborough County is the Affordable Housing Department (AHD).

Planning and Administration.

AHD began discussion of staff requirements and planning events for the NSP funding in August of 2008. After the September Federal Register publication of the NSP requirements, AHD began the process of producing the Substantial Amendment to the Action Plan. The AHD and staff from the City of Tampa Housing and Community Development met several times in October to determine how the two agencies could partner. Staff attended NSP training in Washington in early October of 2008 and also HUD training in Orlando in mid October. Focus meetings with local lenders were held on October 22nd and with nonprofit agencies on October 23rd to present the requirements of the plan and hear comments from the community. AHD worked with the Hillsborough County Planning Commission and the Tampa Bay Regional Planning Council in crafting the NSP Plan.

The Substantial Amendment was approved by the Hillsborough County Board of County Commissioners (BOCC) on November 6, 2008 and forwarded to HUD by the December 1st deadline. AHD staff had meetings with the County Attorney's Office, the County Social Services Section, Procurement Services Department and Code Enforcement Department concerning the foreclosed properties, agencies that could assist in the NSP activities and procuring vendors to assist in the acquisition process. In December one AHD staff member was designated as the Foreclosure Manager and to spend 100% of her time on NSP efforts. The NSP budget, which includes three positions (Foreclosure Manager, Construction Inspector and Contracts Manager), was presented and approved by the BOCC on April 1, 2009. AHD NSP staff meets weekly to update the Department Director of actions taken.

AHD conducted the tiered Environmental Review, published the Combined Notice of Finding of No Significant Impact and Notice of Intent to Request Release of Funds on March 11, 2009. HUD provided the Removal of Environmental Grant Condition letter on April 24, 2009.

The primary focus of the NSP funding will be for single family acquisition and rehabilitation, or demolition and subsequent reconstruction to sell to eligible home buyers. AHD plans to expend the 25% of the funding for household at or below 50% of Area Median Income with a Request for Proposals to be published in the summer of 2009 for nonprofit/for profit developers to respond with multi-family projects that have been foreclosed upon in the target areas. Housing Partner Subrecipient Agreements for the individual multifamily projects will be approved by the BOCC after evaluation of the proposals. The properties will have a 30-year deferred loan on all single family projects and a land use restrictive agreement noting the affordability provisions noted in the NSP Plan. For rental housing projects the County will require a 40-year deferred loan and land use restrictive agreement defining the income targeting and affordability requirements.

Land Banking activities will be pursued when property is available in the target area for redevelopment. These sites may be held by the County up to the five-year expenditure period of the grant. This activity is dependent on several factors such as market conditions, locations of the properties, and the availability of future funds for rebuilding. However, the County does not intend to pursue land banking unless the properties meet specific criteria. The criteria may

include but is not limited to: lot suitability for building, correct zoning conditions, environmental conditions, and the possibility of aggregating other NSP acquired properties to make a more significant impact to a neighborhood. Disposition of the properties will be made available through the County's Infill Housing Program via a Request for Proposal process for nonprofit agencies to submit development ideas during the five-year expenditure period.

Staffing/Organization

The County has developed a plan and process to ensure that the NSP is implemented on schedule and adheres to the regulatory requirements that govern the program. Several departments, vendors and agencies will assist in implement the Neighborhood Stabilization Program. In the County this includes working with the Procurement Services Department, County Attorney's Office, Real Estate Department, Planning and Growth Management/Building Services, Code Enforcement Department and Debt Management. Also within County Government the AHD will be working with the Clerk of the Circuit Court. Outside vendors include services for appraisal, title, land surveying, review appraisal, lead-based paint assessments, Davis Bacon consulting, property management and building contractors. Other agencies AHD will be working with include the nonprofit organizations that will become the owners and manage the construction activity of the acquired properties.

Affordable Housing Department

The primary implementation of the program begins within several sections of the AHD. The Finance Section will be responsible for the input to the Disaster Recovery Grant Report (DRGR). The Planning Section is responsible for setup of the activities for quarterly reporting. Finance staff will draw against the activities set up in the DRGR as they occur. A NSP section was created in December with a section manager and positions for construction inspector and two contracts managers to assist in implementing the program. An Access database has been crafted for inputting property data for reports. The DocuVantage tracking system and repository will be created in the first quarter of the grant to track the progress of each project case. The system will also provide offsite electronic storage of the NSP documents.

Initially the AHD will work with the Procurement Services Department on bid processes for vendors to assist in the due diligence of property acquisition. To expedite the foreclosed property acquisition, AHD will hire at least two vendors each for appraisal services, title services, review appraisal services, environmental lead-based paint assessments, and rental property management. One vendor for Davis Bacon Compliance will be hired. These vendors will be selected through a bidding process conducted by the County's Procurement Services Department during the first quarter of the grant year. Each vendor will have a contract with the County to provide services for a minimum two-year period with extensions of one-year periods if necessary.

Procurement Services Department

Procurement Services will also assist AHD with a Request for Qualifications (RFQ) for Housing Partners (nonprofit agencies as Housing Partners) to own, manage, sell and rent the acquired NSP properties. AHD will submit the Housing Partner Subrecipient Agreements for approval by the BOCC after the vetting process from the RFQ. AHD will also pursue a Request for Qualifications for Contractors to create a contractor pool of eight contractors to work on NSP rehabilitation and redevelopment projects. A work contract will be executed between the contractor and Housing Partner. It is expected that all bids and RFQs will be published and opened by July of 2009.

Communications Department

AHD met with the Communications Department to assist in the transparency of promoting the Program and Plan on the Department's website. A Marketing Plan was created to promote the

Program through press releases, promote bids and proposals that will be offered, create signage for the individual sites, administer webpage updates, promote available properties and assist in hosting a Housing Fair once properties are available for homebuyer purchase.

County Attorney Office

The County Attorney's Office (CAO) will assist in crafting the various request for bids and requests for qualifications from contractors and Housing Partners. The CAO will also assist with crafting the Housing Partner Subrecipient Agreements for BOCC approval as well as mortgage documents, promissory notes and land use restrictive agreements. The CAO has an attorney on retainer who will assist in negotiations with the property owners for initial egress and also assist in purchase negotiations once just compensation has been determined from the appraisal/review appraisal with the required discounting.

Coordinating

The coordination of all activities will be carried out by the NSP staff. AHD will manage the due diligence required for property acquisition and construction management. AHD will be responsible for:

- identifying foreclosed and vacant properties in the NSP target areas;
- inspecting and providing work write ups and cost estimates;
- conducting the environmental review;
- issuing the task orders for the appraisal, title, surveys, lead-based paint inspection/assessment and clearance;
- approving acquisition of selected properties;
- distributing properties to the Housing Partner;
- managing the work contracts between the Housing Partners and contractors, which includes bidding the work, inspecting the project work and issuing payments to the contractors;
- assisting the promotion of the properties for the Housing Partners;
- providing funding for down payment or financing for the end buyer; and
- monitoring the Housing Partners.

AHD has an annual subscription with www.foreclosuresdaily.com that provides information on foreclosed properties. AHD NSP staff will research the target areas for foreclosed properties, conduct a site visit to confirm vacancy, and document the judicial foreclosure of each property. The Code Enforcement Department has a registry of distressed properties that is shared with AHD and the NSP staff will review and research target area properties on this list to find which are in lis pendens and any that are foreclosed. AHD will track the properties in lis pendens as potential foreclosures in the target areas.

AHD will inspect the property once access is allowed, complete a work write up and cost estimate and then complete the environmental unspecified sites review. AHD will issue task orders to the vendors on contract for the appraisal, title search, property survey and lead paint inspection/assessment, when applicable. AHD will forward all received initial appraisals to the Review Appraiser for concurrence of value before any offer to purchase is made. The County Attorney's Office, the real estate attorney on retainer, and AHD will evaluate the documentation prior to approving the purchase based on factors such as cost to rehabilitate/rebuild, value with the required discount, and the environmental conditions of the site/area. AHD will notify the property owner of the value of the property with the required discount based on the cost estimates. A flowchart of the process is attached as Attachment I.

Properties will be distributed to the Housing Partners from the inventory list by folio number. Each property will be offered to the Housing Partner in numerical order based on their ranking from the RFQ. After the property is purchased, the Housing Partner will work with the AHD

construction inspector on bidding, managing the construction process with pre-construction meetings, walkthroughs, inspection of work, and progress payments. AHD staff and the County's Communications Department will work with the Housing Partner to market the properties to eligible homebuyers.

The Housing Partner will be responsible for the ownership and management of the properties. This includes maintaining, securing and insuring the properties. They will work with the AHD staff on the rehabilitation/demolition/rebuilding of the properties. They will also income qualify potential homebuyers and ensure the buyer receives eight (8) hours of one-on-one counseling. For multifamily projects, the Housing Partner will work with the selected property management consultant (or if the Housing Partner has the capacity to conduct this action in house) to rent the property to eligible households. In the case of the single family rentals, the Housing Partner will provide lease purchase options for the eligible household to acquire the homes for homeownership. The Housing Partner will initiate marketing plans after the initial closing with the lender and promote the properties at the county sponsored housing fair and listing the properties on the AHD county website.

Reporting Process

The Program regulations require a quarterly status report documented in the Disaster Recovery and Grant Reporting System. Currently the AHD has defined the roles in the reporting system between the AHD Planning and Finance Sections. The first report to HUD will be due on July 31, 2009. All reports will be available on the Department's webpage. AHD will also be providing monthly reports to the BOCC on the progress of the program, properties purchased, contracts executed, and other related sign off documents implementing the program. AHD staff makes monthly update reports to the Affordable Housing Advisory Board.

Budget

The NSP budget is administered by the AHD Finance Section. The first year budget was approved by the BOCC on April 1, 2009. It includes the overall operating budget for the program based on the activities in the Plan. Only costs related to the implementation of the NSP will be charge to the NSP budget. Project acquisition costs, development costs and related soft costs for each project will be obligated and expended with NSP program funds. New staffing software will be utilized to track staff time by each project case that defines the person, time, case number and signoff certification. The project costs including staff time will be reflected in the DRGR. Program income will be recycled back into the program for additional NSP activities.

Program Modifications

As noted in the NSP Plan, three additional areas will be added as future neighborhoods for stabilization. Depending on the success of acquiring properties within the initial target areas and the need to expedite the program, the County may start to review properties in these secondary areas by July of 2009. Additional modifications to the Plan, such as adding a new activity, will be considered as needed and conducted as required for a Substantial Amendment to the Action Plan.

Conclusion

Hillsborough County plans to be responsive to this program and highlight the efforts of investing and stabilizing the neighborhoods identified. The County has positioned with other County Departments, outside vendors, and Housing Partners to ensure the program is efficient and effective in meeting the goals outline in the program regulations. The County is confident that the funding will be obligated and expended within the regulatory deadlines and will ensure the transparency of the program by publishing the NSP Plan, amendments, reports, and properties.

Attachment I

Purchase/Rehab Process

