

**CITY OF CLEARWATER, FLORIDA
DEVELOPMENT OF RENTAL HOUSING PROJECTS
FUNDED THROUGH THE
NEIGHBORHOOD STABILIZATION PROGRAM 3**

INSTRUCTIONS FOR FY 2011-2012 APPLICATION

PURPOSE AND GOAL

The City of Clearwater has been designated by HUD to administer the Neighborhood Stabilization Program 3 as established alternative requirements, and the waivers of regulations granted to grantees under Section 2301(b) of the Housing and Economic Recovery Act of 2008 (Pub. L. 110–289, approved July 30, 2008) (HERA), as amended, and an additional allocation of funds provided under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111–203, approved July 21, 2010) (Dodd-Frank Act) for additional assistance in accordance with the second undesignated paragraph under the heading ‘Community Planning and Development—Community Development Fund’ in Title XII of Division A of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111–5, approved February 17, 2009) (Recovery Act), as amended, for the purpose of assisting in the redevelopment of abandoned and foreclosed homes.

The City’s intent is to utilize the NSP 3 Program Funds for the creation of rental housing units for families or individuals whose income is less than 50% of the area median income for the City of Clearwater, as determined by the U.S. Department of Housing and Urban Development. The goal is to develop projects that meet the following objectives:

- a. To create safe, decent and affordable rental units for households having the lowest incomes.
- b. To maintain the affordability of the rental units for the longest period of time possible.
- c. To assist in the provision of financially viable, market-appropriate housing in the areas of greatest housing need in the city.
- d. To assist in the provision of quality housing at a reasonable cost to meet a variety of needs, including family, elderly and special need populations.

MAXIMUM AWARD

The maximum amount of NSP 3 funds that may be awarded to any individual proposal is \$346,451. The City, in its sole discretion, may make exceptions on a case-by-case basis.

ELIGIBILITY CYCLE INFORMATION

Applicants wishing to be considered for an award must submit an application in accordance with the requirements of this Program. The City may hold one or more eligibility cycle(s) through this allocation. The eligibility cycle information for the FY 2011-12 allocation year is as follows:

A Notice of Funding Available (the NOFA) will be published in September 2011. Applications will be made available on September 2, 2011. The Application Submission Deadline for all applications must be physically received in the City of Clearwater’s Housing Division (112 South Osceola Avenue, Clearwater (City Hall - First Floor) no later than 4:30 P.M. Eastern Time, September 29, 2011. Any applications received after that time will not be considered. Early submission is encouraged. Applications will be selected and ranked by the Economic

Development and Housing Department by October 31, 2011. This date may change without notice.

CONDITIONAL RESERVATION PROCESS

The recommended applicants will receive a conditional reservation of the funds. The applicant must become an approved applicant and recipient of funds through the Neighborhood Stabilization Program 3.

MANDATORY FACTORS

The project must be completed within 12 months from the date of award and tenants must be in place within 18 months.

Geographic Targeting – The Project must be located in one of the three Areas of Greatest Need as identified in the City’s NSP 3 Action Plan. The areas include Stevens Creek/North Greenwood, East Gateway and South Greenwood.

Income Targeting – All NSP Activity must benefit individuals or families at 50% or less of area median income as provided by HUD. Please see chart below. Applicants must demonstrate their plan to affirmatively market units to NSP eligible households.

**INCOME CERTIFICATION CHART
June 2, 2011**

Household Size	50% Median (Very Low) Income	80% Median (Low) Income	120% Median Income
1 Person	\$ 19,800	\$ 31,650	\$ 47,520
2 Persons	22,600	36,200	54,240
3 Persons	25,450	40,700	61,080
4 Persons	28,250	45,200	67,800
5 Persons	30,550	48,850	73,320
6 Persons	32,800	52,450	78,720
7 Persons	35,050	56,050	84,120
8 Persons	37,300	59,700	89,520

PROGRAM REQUIREMENTS

- a) Environmental Review – Developers must complete an environmental review and provide it to the City to forward for a Release of Funds prior to the commencement of construction. Activities conducted prior to environmental clearance will be ineligible for NSP3 funds.
- b) Lead-Based Paint Requirements - NSP assisted rehabilitation must comply with federal lead-based paint requirements including lead screening in housing built before 1978 in accordance with 24 CFR Part 92.355 and 24 CFR Part 35, subparts A,B,J,K,M, and R.

- c) Other Contaminants/ Hazardous Material Requirements - In accordance with 24 CFR 58.5(i)(2)(i), all properties must be free of contaminants/hazardous substances that pose dangers to users of the property or conflict with the intended use of the property. This includes, but is not limited to, toxic mold and asbestos. When there might be concern that a property contains toxic mold or asbestos, the developer will be responsible for the testing and abatement.
- d) Davis-Bacon Labor Standards - Developers will be responsible for adhering to all Davis-Bacon labor standards, as applicable. For the purposes of NSP, any projects containing more than eight (8) units of housing (whether NSP assisted or not) is subject to Davis-Bacon and labor standards requirements. The City will provide a wage decision from HUD to prospective respondents.
- e) Section 3 - Under Section 3 of the Housing and Urban Development Act of 1968, developers will be required to provide job opportunities to low-income residents and businesses, to the greatest extent possible. Reporting of efforts and results on a quarterly basis will be required of all selected developers.
- f) Affirmative Marketing - Developers must adopt affirmative marketing policies and procedures in furtherance of the City of Clearwater's commitment to non-discrimination and equal opportunity in housing. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, gender, religion, familial status, or disability. Records should be maintained describing actions taken by the developer to affirmatively market units and assess the results of these actions.
- g) Uniform Relocation Act - NSP requires adherence to the guidelines set forth in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (49 CFR Part 24).
- h) Section 504 - Multi-family housing assisted with NSP funds must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 and covered 24 CFR Section 100.201 and the design and construction requirements at 24 CFR Section 100.205, which implement the Fair Housing Act (42 U.S. C. 3601-3619).
- i) Developer will be required to have a performance bond for the amount of NSP 3 Funds provided for this project.

THRESHOLD REVIEW

The City of Clearwater has established criteria that must be met in order for the application to be considered for the competitive review stage. Any application that fails to meet any one of the threshold criteria will be rejected. The threshold review is a basic review of the application to determine that it is complete and includes all necessary forms and supporting evidence.

The Threshold Criteria are as follows:

Applications must be complete, consistent and contain all supporting documentation in an organized fashion. Applications that are incomplete, inconsistent, and/or illegible will be rejected.

- **Project Financials** - A detailed pro forma operating budget must be included as part of the application (Section 4.2).

Any owner or general partner that is currently in noncompliance due to site audits or the failure to comply with reporting requirements will be denied participation in the eligibility cycle. In addition, any owner that is not in compliance or good standing with any other City program will be similarly denied participation.

- **Development Narrative** - Each application must contain a project narrative that summarizes the scope of the proposal and the roles of the development team. This narrative should include the following (Section 3.2):
 - a. A description of the proposal, including its location(s), development type, unit mix and unit size.
 - b. Description of project design.
 - c. Proposed rents.
 - d. A description of need and the target market.
 - e. A description of special amenities and services.
 - f. A summary of proposed construction and permanent financing.
 - g. Anticipated start and completion dates.
 - h. The project must address local housing needs and priorities, as documented in the City's FY 2011-2016 Consolidated Plan.

- **Site Control** - The applicant must establish evidence of site control. All site options/contracts, as applicable, must be also valid at the time of selection by the City. The following may be used as evidence of site control (Section 3.6):
 - a. Executed and recorded deed.
 - b. Executed purchase contract.
 - c. Title Commitment.

- **Development Schedule** - The application must include a list of proposed dates for the completion of the following (Section 3.3; Exhibit C):
 - a. Site Plan.
 - b. Construction and permanent financing commitments.
 - c. Commencement of construction.
 - d. Placement in service of the development.

EVALUATION FACTORS

All applications submitted will be evaluated by City staff using the following federal preferences and selection bonus point(s) criteria (**17 Points Maximum**):

- **Project Location (2 Points Maximum)**
 - a. The site selected for the Project is crucial to the overall success of the development. Effort should be made to locate sites that are convenient to services and in neighborhoods that include a socioeconomic mix of households.
 - b. Is the project located in the NSP 3 Areas of Greatest Need?

- **Housing Needs Characteristics (1 Point Maximum)**
 - a. Does the application indicate a need for the specific housing type that is proposed?

- **Project Characteristics (2 Points Maximum)**
 - a. Is the size of the development appropriate for the need and demand in the community and are the unit sizes and mix of units appropriate for the community and the site?
 - b. Does the Developer present a clear analysis of cost estimates and the sources and uses statement?
- **Experience/Development Capacity (2 Points Maximum)**
 - a. Does the Developer have the requisite experience with similar projects?
 - b. Does the Developer's or proposed partners show strong management qualities?
- **Design Characteristics (2 Points Maximum)**
 - a. Does the design offer safety, outdoor living areas to the units and maximizes open space?
 - b. Does the architectural design offer features for energy conservation, green-build and reflect the existing architecture of the surrounding area?
- **Readiness to Proceed (4 Points Maximum)**
 - a. The Implementation Schedule shows readiness to proceed to complete and occupy eligible tenants within the NSP 3 timetable.
 - b. Does the Developer have a list of eligible tenants at 50% or less of AMI?
 - c. Does the Developer have evidence site control?
 - d. Does the Developer have sufficient financing leverage funds identified and secure to complete the project, including letters of commitment or of interest from a recognized lender.
- **First Tie Breaker (2 Points Maximum)**
 - a. Which project exemplifies the highest level of quality in design?
- **Second Tie Breaker (2 Points Maximum)**
 - a. Is this a project dedicated to providing housing for veterans?