

**CITY OF ORLANDO
HURRICANE HOUSING RECOVERY (HHR) PROGRAM
HURRICANE HOUSING ASSISTANCE PLAN**

AUGUST 2005

PROGRAM DESCRIPTION

Name of County: Orange County

Name of Municipality: City of Orlando

Base Allocation Request: \$ 1,010,501

Extremely Low Income Request: \$ 202,100

Community Planning Request: \$ 134,734

Total Allocation: **\$1,347,335**

Administration: \$ 202,100

Name of Participating local government (s) or other agencies in the Community Planning Strategy: Orange County

INTRODUCTION

As part of Florida's response to the four hurricanes that hit our state in 2004, the Florida Housing Finance Corporation (FHFC) created the Hurricane Housing Recovery Program (HHRP), as part of a one-time hurricane housing recovery initiative. The HHRP is designed to be a locally administered program to accommodate the different housing needs of each impacted community. The legislature approved funds to be allocated among 28 qualified counties based on calculations obtained from Federal Emergency Management Agency (FEMA) hurricane data.

Orange County has been allocated \$5,857,798 for the purpose of providing hurricane assistance. The County has agreed to allocate \$1,347,335 to the City of Orlando from their HHR Program allocation. The amount of \$1,347,335 represents twenty percent (20%) of the County's allocation. This ratio is the same as for annual allocations of SHIP funds received by the County and the City. The City will use its allocation to implement programs to address the local housing needs of residents within city limits. The City has developed three strategies that addresses its local needs. The three strategies are: Richmond Heights Soil Stabilization and Rehabilitation, Multi-family Rental Rehabilitation, and New Construction of Rental Housing.

The City will administer the City of Orlando's HHR Program. Funds will be received directly from the FHFC. The City will be responsible for the reporting and monitoring aspects of the Program. A separate local trust fund will be set up to deposit the HHR Program funds that come from the State and for repayments, recoveries, or program income associated with this funding allocation.

HHRP HOUSING STRATEGIES

Richmond Heights Soil Stabilization and Rehabilitation

Summary of the Strategy

This is a neighborhood strategy that has been developed by the City of Orlando to address a soil settlement problem in the Richmond Height neighborhood. Houses in this neighborhood suffer from deterioration due to buried muck stratum. These houses need major structural repairs to solve problems such as settlement cracks in foundations. The strategy is designed to provide assistance to income eligible owner-occupied homeowners on a first come, first serve basis.

In an effort to provide the proper rehabilitation assistance to a household, it may be determined that it is more cost effective to replace the existing housing unit rather than to rehabilitate it. Replacement housing must meet all the requirements of the applicable funding source and local codes.

Fiscal Years Covered

FY 2005-2006 through FY 2007-2008

Income Categories to be Served

Households with income under 80% of the area median income

Maximum Award as noted on the Hurricane Housing Goals Chart

\$100,000 per unit

Terms, Recapture and Default

A second mortgage is placed on the property in order to assist the City in monitoring homeowner occupancy for the period of the lien as set forth in Table 1.

TABLE 1

LENGTH OF THE LIEN UNDER THE RICHMOND HEIGHTS SOIL STABILIZATION PROJECT PROGRAM

AMOUNT OF ASSISTANCE PROVIDED	LENGTH OF LIEN
Below \$5,000	No lien is placed on the property
\$5,000 - \$7,500	1 year lien
\$7,501 - \$10,500	3 year lien
\$10,501 - \$25,000	5 year lien
\$25,001 - \$35,000	10 year lien
\$35,001-\$100,000	15 year lien

Owners must live in the unit during the entire lien period. The second mortgage amount will be forgiven and a satisfaction of mortgage will be recorded once the lien period is completed. If the property is sold, the sale is restricted to another very low or low income eligible buyer. If the owner sells the property to an ineligible buyer or rents the property during the lien period, the owner shall be considered in default, and shall reimburse the City using the following method:

$$\text{Dollar Amount of the Lien} \times \frac{\text{Number of Years Remaining on the Lien}}{\text{Total Lien Period}}$$

Recipient Selection Criteria

Assistance will be on a first come, first serve basis to income eligible homeowners living in areas with soil settlement problems in the Richmond Heights neighborhood.

Additional Information

Leverage From Other Programs:

The HHRP funds may leverage other Federal, State, and/or local housing programs.

Rental Rehabilitation

Summary of the Strategy

This strategy has been created to preserve multifamily units and to have them remain as safe, decent, and sanitary housing options for current and future residents of the neighborhood. Projects located in the Parramore Heritage community will be given priority under this strategy. Parramore is located north of Gore Street, south of Colonial Drive, east of Orange Blossom Trail and west of Interstate 4. Even though Parramore Heritage is primarily a residential community, the vitality of its character has been declining over time. This decline has been as a result of several factors, such as the deterioration of the rental housing stock and the low income of its residents. In addition, this strategy has been developed to assist eligible multifamily rental units that were damaged by the 2004 hurricanes.

In an effort to provide the proper rehabilitation assistance to a project, it may be determined that it is more cost effective to replace the existing housing rather than rehabilitate it. Replacement housing must meet all of the requirements of the applicable funding source and local housing codes.

Fiscal Years Covered

FY 2005-2006 through FY 2007-2008

Income Categories to be Served

Households with income under 80% of the area median income

Maximum Award as noted on the Hurricane Housing Goals Chart

\$40,000 per unit

Terms, Recapture and Default

Assistance under this strategy shall be provided in the form of a deferred loan. All developers receiving assistance will be required to execute a promissory note for the amount of the loan. A mortgage shall secure each loan. Upon completion of the affordability period (a minimum of 15 years), the City shall satisfy the note and issue a satisfaction of mortgage. A restrictive covenant will also be recorded to ensure that the units remain affordable for a prescribed period of time. The Florida Housing Finance Corporation (FHFC) provides the rental limit chart, adjusted for bedroom size, to the City of Orlando on an annual basis. The multi-family units rehabilitated under this strategy must be rented to income eligible persons at or below the maximum rental rates.

If any rental developments assisted under this strategy are offered for sale before the completion of the affordability period, eligible nonprofit housing providers must have a right of first refusal to purchase at the current market value. The new owner must agree to continue to rent the units to income eligible tenants at less than maximum rental rates approved by the FHFC. The City of Orlando will monitor the assisted units, annually, for 15 years, or for the term of affordability, whichever is longer. Monitoring will ensure compliance with tenant income and affordability requirements pursuant to Rule 67-37.007(12), Florida Administrative Code. If the units are rented to an ineligible household, or at rates higher than required during the duration of the affordability period, the funds used to acquire and rehabilitate the unit will be subject to the recapture provisions from the developer/owner. The developer shall reimburse the City using the following method:

$$\text{Dollar Amount of the Lien} \times \frac{\text{Number of Years Remaining on the Lien}}{\text{Total Lien Period}}$$

Recipient Selection Criteria

Applications for funding for this strategy can be submitted to the City for funding throughout the year. The application for the HHRP funding will be combined with the SHIP/HOME Program application. Applications are submitted to the Housing Department where staff ensures that the application is filled out completely and that the proposed project is consistent with the City’s policies and objectives. Applications are then distributed to members of the Selection Committee for review. The Selection Committee is represented by members of departments, divisions, and offices of the City such as, Land Development, Growth Management, Urban Design, Police Department, Permitting Services, Real Estate and from other organizations such as the Orange County Housing Finance Authority, Fannie Mae Partnership Office, the Citizen Advisory Committee, and the Municipal Planning Board.

A meeting of the Committee is held monthly where Committee members discuss the applications using the following criteria:

1. Project Location – Only projects located in the Parramore neighborhood are eligible. The Parramore neighborhood is bounded by Colonial Drive on the north, Gore Street on the south, Interstate 4 on the east, and Orange Blossom Trail on the west.
2. Development Team Experience
3. Employment of Personnel from the WAGES and Workforce Development Initiatives
4. Organizational Capacity
5. Project Description
6. Timeline for Development
7. Site Control
8. Project Design
9. Hazard mitigation techniques
10. Project Costs
11. Financial Commitments
12. Leveraging
13. Proposed Rental Rates
14. Outreach and Marketing Plan
15. Pool of Qualified Applicants

If the Committee agrees to recommend the project to the Orlando City Council for funding and if the City Council approves the recommendation, the City will enter into a loan agreement with each awardee. The agreement will specify all of the conditions that must be met for the developer to receive the HHRP loan.

The developer shall undertake the initial review of income eligibility of prospective tenants on a first come, first qualified basis for the units. In determining income eligibility, the developer must examine the source documents evidencing the prospective tenant's Annual Gross Income and fill out the appropriate HHRP required forms. All documentation including, but not necessarily limited to, a tenant's application, income verifications, proposed rent and lease terms shall be submitted to the Housing Department for final approval before the developer enters into a lease with a prospective tenant.

Additional Information

Leverage From Other Programs:

The HHRP funds may leverage other Federal, State, and/or local housing programs.

New Construction of Rental Housing

Summary of the Strategy

This strategy has been created to develop new rental housing stock principally in the Parramore neighborhood. The Parramore Heritage community is located north of Gore Street, south of Colonial Drive, east of Orange Blossom Trail and west of Interstate 4. Parramore Heritage is primarily a residential community. However, the vitality of this

existing residential neighborhood has been declining over time as a result of several factors, such as the deterioration of the rental housing stock and the low income of its residents. This strategy will provide funds to develop new safe, decent, and sanitary housing options for the current and future residents of the neighborhood. The new units must meet all of the requirements of the applicable funding source and local housing codes.

Fiscal Years Covered

FY 2005-2006 through FY 2007-2008

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Dollar Amount of the Lien X Number of Years Remaining on the Lien
Total Lien Period

The restrictive covenant will remain in effect for the entire affordability period (a minimum of 15 years). The covenant and restrictions shall run with the land and shall be binding on future owners of the property.

Recipient Selection Criteria, if applicable

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EXTREMELY LOW INCOME STRATEGY

Rental Rehabilitation

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ADMINISTRATIVE BUDGET

The Housing Department shall be responsible for administering the HHR Program, including drafting the Plan, coordinating public hearings, coordinating the application process, monitoring and implementing the Plan, and all other activities associated with the HHR Program. The City of Orlando proposes to spend 15% of HHR funds from each fiscal year covered in this Plan for administrative costs. This expenditure will assist in paying for workshops and training, project feasibility studies, office supplies and expenses, consultant fees, advertising and marketing, post purchase counseling classes, and salaries associated with implementing the Hurricane Housing Assistance Plan.

The table below describes how the 15% of the HHRP allocation will be used for the administrative expenses directly related to the Program.

	FY 2005-2006	FY 2006-2007	FY 2007-2008
Salaries and Benefits	\$ 59,417	\$ 59,417	\$ 59,417
Office Supplies and Equipment	\$ 1,000	\$ 1,000	\$ 1,000
Travel Workshops	\$ 750	\$ 750	\$ 750
Advertising	\$ 1,200	\$ 1,200	\$ 1,200
Consultant Fees	\$ 5,000	\$ 5,000	\$ 5,000
TOTAL	\$ 67,367	\$ 67,367	\$ 67,367

OUTSTANDING ISSUES FOR COMPLIANCE OR NON-COMPLIANCE WITH THE SHIP PROGRAM

None

EXHIBITS

- A. **Adopting Resolution**
- B. **Hurricane Housing Goals Chart (HHGC) for Each Fiscal Year Covered**
- C. **Certification Page**
- D. **Program Information Sheet**
- E. **Community Planning Documentation**
- F. **Timeline for Encumbrance and Expenditure**

