
**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Seminole County/The Center for Affordable Housing, Inc. HOME Program
Community Housing Development Organization Affordable Housing Development Agreement
Program Years 2005-2006 and 2006-2007

DEPARTMENT: Community Services

DIVISION: CDBG

AUTHORIZED BY: David Medley

CONTACT: Buddy Balagia

EXT: 2389

MOTION/RECOMMENDATION:

Approve and authorize the Chairman to execute the Seminole County/The Center for Affordable Housing, Inc. HOME Program Community Housing Development Organization Affordable Housing Development Agreement Program Years 2005-2006 and 2006-2007, to develop fifteen (15) affordable town homes in Sanford for very low and low income homebuyers.

District 5 Brenda Carey

Buddy Balagia

BACKGROUND:

On January 14, 2007 the Community Development Office published a display advertisement in the Orlando Sentinel offering \$1,857,253 in HOME and SHIP Program funding for the development of affordable housing. The advertisement requested housing development proposals from interested nonprofit and for-profit housing developers, including Community Housing Development Organizations (CHDOs).

Among several proposals, the Center for Affordable Housing, Inc. (Center) submitted a proposal to build fifteen (15) town homes in Sanford. The proposal requests \$1,155,000 in HOME funding from the County and contains a commitment from Florida Community Partners to provide an additional \$1,793,000 (construction) loan for 18 months at approximately 7.5% interest (the estimated development cost is approximately \$2,948,000.) The Center will be matching the project \$1.64 for each HOME dollar provided by the County.

The Center will sell three (3) of the units to very low income homebuyers and the remaining twelve (12) units to low income homebuyers. Funding from the County will be from the HOME Program, and the homebuyers may apply for SHIP Program down payment assistance, and obtain mortgages from private lenders. In discussions with the Center, they have indicated a desire to market this homeowner project to the workforce housing population as well as the general population.

The Agreement proposes that \$1,155,000 be funded as a CHDO project. Although final purchase prices are not yet determined, sales prices will be restricted by HOME Program requirements, and at this time are expected to be approximately \$130,000 to \$135,000. The Agreement expires on December 31, 2008, at which time all fifteen units are to be completed.

STAFF RECOMMENDATION:

Staff recommends the Board approve and authorize the Chairman to execute the Seminole County/The Center for Affordable Housing, Inc. HOME Program Community Housing Development Organization Affordable Housing Development Agreement Program Years 2005-2006 and 2006-2007, to develop fifteen (15) affordable town homes in Sanford for very low and low income homebuyers.

ATTACHMENTS:

1. Agreement

Additionally Reviewed By:

County Attorney Review (Arnold Schneider)

**SEMINOLE COUNTY/THE CENTER FOR AFFORDABLE HOUSING, INC.
HOME PROGRAM - COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
AFFORDABLE HOUSING DEVELOPMENT AGREEMENT
PROGRAM YEARS 2005-2006 AND 2006-2007**

THIS AGREEMENT, entered into this _____ day of _____, 2007, by and between **SEMINOLE COUNTY**, a political subdivision of the State of Florida, whose address is 1101 East First Street, Sanford, Florida 32771, hereinafter referred to as "COUNTY," and **THE CENTER FOR AFFORDABLE HOUSING, INC.**, a non-profit Florida corporation, whose address is 2524 South Park Drive, Sanford, Florida 32771, hereinafter referred to as "CENTER".

WHEREAS, CENTER meets the criteria for being designated a Community Housing Development Organization (CHDO) as defined in Title 24, Code of Federal Regulations, Section 92.2; and

WHEREAS, CENTER previously submitted a CHDO proposal to develop fifteen (15) owner occupied townhouse units serving Very Low Income and Low Income households in Seminole County utilizing ONE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,155,000.00) of COUNTY's HOME funds for Program Years 2005-2006 and 2006-2007; and

WHEREAS, COUNTY has determined that the townhouse Project proposed by CENTER will serve a vital public purpose by providing needed affordable housing ownership opportunities to Low Income and Very Low Income households as defined herein; and

WHEREAS, the parties hereto believe that this Agreement is the best means to accomplish the affordable housing Project and formalizing contractual understandings of the parties,

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. RECITALS. The above recitals are true and form a material part of the agreement upon which the parties have relied.

SECTION 2. DEFINITIONS.

(a) "Affordability Period" means the length of time for which each affordable housing unit must comply with HOME regulations and be used solely for the affordable housing purposes benefiting Low Income and Very Low Income households as set forth herein. Pursuant to 24 C.F.R. Section 92.254, the Affordability Period for all housing units comprising the Project shall be twenty (20) years.

(b) "C.F.R." means the Code of Federal Regulations.

(c) "CS Administrator" means the Community Services Director or Community Assistance Division Manager or their designee within COUNTY's Community Services Department.

(d) "County Approval" means written approval by the CS Administrator.



(e) "HUD" shall mean the United States Department of Housing and Urban Development.

(f) "HOME" or "HOME Program" shall mean the federally funded, affordable housing program authorized by 42 U.S.C., Sections 12701 et seq. and administered by HUD pursuant to Title 24, Part 92, Code of Federal Regulations and comprising the funding source for the Project through COUNTY.

(g) "Low Income" shall mean gross household income from all sources not to exceed eighty percent (80%) of the median family income within the Orlando Metropolitan Statistical Area during the term of the Affordability Period.

(h) "Parties" shall mean the CENTER and COUNTY with respect to this Agreement.

(i) "Program Income" shall mean gross income directly generated

from the use of HOME Funds derived under this Agreement as defined in 24 C.F.R. Section 92.2.

(j) "Project" shall mean the land acquisition, construction, marketing, and sale of fifteen (15) residential townhouse units for purchase by Low Income and Very Low Income households in Seminole County, Florida. The townhouses shall each consist of 3-bedroom, 2-bath units with a living area of approximately 1,500 square feet. The Project shall be constructed on the Property and shall also comply with all of the terms and conditions of Exhibit A (Scope of Services) and Exhibit B (Project Budget), which Exhibits are attached to this Agreement and fully incorporated herein by reference. For those completed housing units sold to persons or households utilizing only private mortgage financing, CENTER shall execute and record a Restrictive Use Covenant in the form attached as Exhibit F to this Agreement as a condition of the sale of the unit. Sales of units to persons or households utilizing SHIP down payment assistance through COUNTY shall provide for compliance with the Affordability Period through the SHIP financing documents in lieu of a Restrictive Use Covenant.

(k) "Property" shall mean that certain parcel of real property located at 701 West 22nd Street, Sanford, Florida 32771, the legal description and parcel identification number for which are set forth in paragraph 15 of Exhibit A to this Agreement.

(l) "SHIP" shall mean the State Housing Initiative Partnership through which COUNTY may provide down-payment assistance to income qualified buyers of Project units pursuant to Chapter 420, Part VII, Florida Statutes.

(m) "U.S.C." means United States Code.

(n) "Very Low Income" means gross household income not to exceed fifty percent (50%) of the median family income within the Orlando

Metropolitan Statistical Area during the term of this Agreement.

SECTION 3. STATEMENT OF WORK. In a manner satisfactory to COUNTY, CENTER shall timely perform all Project services in the Scope of Services described in Exhibit A and Exhibit B attached hereto. Except as otherwise specifically stated herein, such services shall be performed by persons or instrumentalities solely under the dominion and control of CENTER. CENTER shall also fully comply with all of the reporting and performance requirements in Exhibits C through G, all of which are fully incorporated into this Agreement by reference.

SECTION 4. TERM. This Agreement shall be effective upon its execution by all parties. CENTER shall complete all Project services required by this Agreement on or before December 31, 2008. This Agreement shall terminate on December 31, 2008, unless otherwise mutually extended by written amendment hereto. The foregoing notwithstanding, Sections 10, 11,  13, 18(b), and 23 shall survive the termination date hereof. Regardless of the termination or expiration of this Agreement, all completed Project units whose development and construction are financed under this Agreement shall continue to comply with the applicable Affordability Period.

SECTION 5. PAYMENTS.

(a) COUNTY may direct pay, on CENTER's behalf, contractors and vendors selected by CENTER to develop the fifteen (15) housing units upon receipt of appropriate documentation from CENTER, as provided in subparagraph (d) below, for CENTER's performance of the Scope of Services described in Exhibit A, up to the maximum amount per the Project Budget set forth in Exhibit B to this Agreement.

(b) In lieu of direct payment provided for in paragraph (a) above, COUNTY may also reimburse CENTER for funds paid to contractors, subcontractors, and vendors selected by CENTER to provide Project

services under this Agreement in accordance with and up to the amount of the Project Budget.

(c) COUNTY has allocated ONE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,155,000.00) of COUNTY'S 2005-2006 and 2006-2007 program year HOME funds for completion of this Agreement. COUNTY will pay or reimburse CENTER for the Project services rendered under this Agreement up to, but not exceeding, ONE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,155,000.00). In the event that CENTER does not require the full amount of ONE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,155,000.00), as reflected in the bids received and final Project development costs reviewed by both parties to this Agreement, the CS Administrator reserves the right to reallocate such excess funds to other eligible activities.

(d) The ONE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,155,000.00) Project budget is comprised of ONE MILLION FIVE THOUSAND AND NO/100 DOLLARS (\$1,005,000.00) for land acquisition costs , site development, infrastructure and construction costs and developer fees in the amount of ONE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$150,000.00) or an amount equal to TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) per unit as compensation to CENTER for its efforts in Project development and completion. The developer fee shall be paid by COUNTY to CENTER according to the following schedule:

- (i) Ten percent (10%) after closing on the acquired Property.
- (ii) Twenty Percent (20%) - foundations/slabs poured for all fifteen (15) units;
- (iii) Twenty Percent (20%) - exterior walls raised for all fifteen (15) units;
- (iv) Twenty Percent (20%) - roofing/dry in completed for

all fifteen (15) units;

(v) Twenty Percent (20%) - completion of dry wall and finish work for all five (5) units;

(vi) Ten Percent (10%) - certificates of occupancy obtained for all fifteen (15) units.

Other construction and development costs shall be paid according to the periodic, documented Requests for Payment under the terms and conditions of the remaining paragraphs of this Section 5.

(e) In no event shall COUNTY reimburse CENTER or directly pay its contractors, subcontractors, or vendors until all goods and services rendered are invoiced and approved in writing by CENTER's Executive Director and the CS Administrator. In order to process payment requests, CENTER shall submit to COUNTY completed Application for Payment forms, attached hereto as composite Exhibit C, together with an original invoice signed by the entity requesting payment or for which reimbursement is sought approved by CENTER's Executive Director. Copies of receipts or other acceptable documentation demonstrating incurrence of each expense must be submitted with the Application.

(f) Upon receipt of the documentation listed above, COUNTY shall initiate direct payment to the vendor/contractor or reimbursement to the CENTER. COUNTY reserves the right to verify, by site inspection when necessary, that all goods, materials, labor, and services have been properly invoiced. Payment shall be made as soon as practicable; provided, however, payment shall be rendered by COUNTY within thirty (30) days of its receipt of payment request, if CENTER, its vendors, contractors, and subcontractors have performed services in full compliance with all HOME Program and COUNTY imposed requirements and properly invoiced the request for payment.

(g) On or before December 31, 2008, CENTER shall render a final

and complete statement to COUNTY of all costs for goods and services not previously invoiced. COUNTY shall not be obligated to pay any charges, claims or demands of CENTER not properly invoiced and received by COUNTY on or before December 31, 2008.

(i) Any goods or services not allotted in the Project Budget, or not undertaken in compliance with this Agreement, will only be paid or reimbursed by COUNTY if COUNTY has issued prior written approval of such goods or services, subject to formal amendment(s) to this Agreement.

(j) CENTER shall use the funds provided under this Agreement to leverage funds and services for the completion of the Project described herein. CENTER must demonstrate a minimum leveraging in the amount of ONE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND AND NO/100 DOLLARS (\$1,155,000.00). Such leveraging may be in the form of dollars or, if pre-approved in writing by the CS Administrator, professional services or in-kind services so that all Project costs, including pre-development expenses, construction contingencies, and reserves, are fully funded. Prior to any direct payment, or reimbursement of funds to or on behalf of CENTER, CENTER must document to COUNTY's satisfaction that sufficient leveraged funds are available, obligated, and have been expended toward the completion of the Project. If sufficient leveraging has not been demonstrated, CENTER shall be deemed to be in breach of this Agreement, and COUNTY shall withhold any and all future payments to the CENTER in addition to pursuing any other remedies set forth herein.

SECTION 6. COMPLIANCE WITH FEDERAL REGULATIONS.

(a) CENTER shall comply with all federal, state, and local laws and regulations in its performance of this Agreement. It is understood that the following are laws and regulations which will directly govern implementation of this Agreement:

- (1) Title 24, Code of Federal Regulations, "Regulations

Relating to Housing and Urban Development" including particularly the parts and sections identified in paragraph (e) of this section.

(2) Public Law 90-284, "1968 Civil Rights Act of 1968";

(3) Public Law 90-448, "Housing and Urban Development Act of 1968";

(4) Office of Management and Budget Circular No. A-110, "Uniform Administrative Requirements For Grants and Agreements With Institutions Of Higher Education, Hospitals and Other Non Profit Organizations";

(5) Office of Management and Budget Circular No. A-122, "Cost Principles For Non-Profit Organizations";

(6) Office of Management and Budget Circular No. A-133, "Audits of States, Local Governments and Non-Profit Organizations";

(b) CENTER shall comply with those portions of 24 C.F.R. Part 84 - "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education,  Hospitals, and Other Non-Profit Organizations" as are applicable to subrecipients of HOME Program funding.

(c) CENTER shall fully comply with the HOME regulations, contained within 24 C.F.R., Part 92, including particularly the following:

(1) Section 92.250 - Maximum Per Unit Subsidy Amount and Subsidy Layering. The requirements shall be those amounts established by HUD at the time of execution of this Agreement.

(2) Section 92.251 - Property Standards, including the requirement that Project units meet the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 if construction or rehabilitated housing units are multi-family projects;

(3) Section 92.254 - Qualifications as affordable housing:

home ownership;

(4) Section 92.257 - Faith Based Activities;

(5) Section 92.350 - Other Federal Requirements;

(6) Section 92.351 - Affirmative Marketing; minority outreach program;

(7) Section 92.353 - Displacement, Relocation, and Acquisition (intended to minimize displacement of persons and businesses;

(8) Section 92.354 - Labor;

(9) Section 92.355 - Lead based paint;

(10) Section 92.356 - Conflict of Interest;

(11) Section 92.358 - Consultant Activities;

(12) Section 92.503 - Program Income; and

(13) Section 92.505(b) - Applicability of Uniform Administrative Requirement.



(d) CENTER shall not assume COUNTY's environmental responsibilities, as described in Section 92.352 "Environmental Review", nor COUNTY's responsibility to initiate an environmental review process. However, CENTER is not exempt from performing a Phase I environmental or site-specific environmental review in accordance with state and local regulations, if necessary, nor is CENTER released from any environmental pollution that it may cause or have caused, and CENTER shall assume full liability therefore.

SECTION 7. COMPLIANCE WITH LOCAL AND STATE LAWS. During the execution, and implementation of this Agreement, CENTER shall comply with all applicable state and local laws, regulations, and ordinances, including but not limited to the following:

(a) Chapter 112, Florida Statutes - Public Officers and Employees: General Provisions, including particularly, Part III

addressing ethics in government.

(b) Section 220.115, Seminole County Code, prohibiting the illegal use of public monies for unethical purposes involving COUNTY personnel. Violations of said Code provision shall be grounds for unilateral termination of this Agreement by COUNTY.

SECTION 8. PROJECT PUBLICITY.

(a) Any news release, project sign, or other type of publicity pertaining to the Project described herein shall recognize the Seminole County Board of County Commissioners as the recipient of HOME Program funding from HUD and the provider of funds to CENTER.

(b) CENTER shall adhere to the affirmative marketing requirements of Title 24, C.F.R. Section 92.351.

SECTION 9. MANAGEMENT ASSISTANCE.

(a) The CS Administrator shall be available to CENTER to provide guidance on HUD requirements.



(b) In the event that CENTER does not complete any of the terms of this Agreement within the time frames allotted herein, COUNTY may provide notices to CENTER thirty (30) days after the expiration of the subject time frame advising CENTER that it is in default of this Agreement and the pending consequences thereof. Nothing set forth herein, however, shall prohibit COUNTY from taking any action prior to such dates to enforce the terms of this Agreement.

SECTION 10. MAINTENANCE OF RECORDS.

(a) CENTER shall maintain all records required by federal, state and local laws, rules, and regulations for a period of no less than five (5) years from the date of the final project audit. This requirement shall include:

(1) All account, property, and personnel records as deemed necessary by COUNTY to ensure proper accounting of all project funds and

compliance with this Agreement.

(2) Financial records regarding the following:

(A) Invoices, receipts, and cancelled checks of all items purchased by CENTER pursuant to this Agreement;

(B) Bills, cancelled checks, and invoices for all services contracted for by CENTER pursuant to this Agreement;

(C) All capital expenditures in excess of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00), including a description, model, serial number, date, and cost of acquisition.

(b) CENTER shall perform or cause to be performed an annual audit and provide copies of such audits to the CS Administrator within thirty (30) days of its completion. Because CENTER is receiving more than FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) in Federal funding through COUNTY pursuant to this Agreement, such auditing procedures shall be undertaken in compliance with Management and Budget Circular A-133 and provided to the CS Administrator in a timely manner.

(c) All records, documents, and contracts of whatsoever type or nature required by this Agreement shall be available for monitoring, audit, inspection, and copying in accordance with Chapter 119, Florida Statutes. COUNTY shall have the right to obtain and inspect any audit or other documents pertaining to the performance of this Agreement made by any federal, state, or local agency.

(d) CENTER shall complete and provide to the CS Administrator a monthly report on the form attached hereto as Exhibit D. Such reports shall be due no later than the fifteenth (15th) day of each month following the date of execution of this Agreement and concluding upon the completion of all activities described in Exhibit A.

(e) CENTER shall submit to COUNTY an End of Project Report attached hereto as Exhibit E.

SECTION 11. LIABILITY. Except for any payment specifically set forth herein, COUNTY shall not be liable to any person, firm, entity or corporation in connection with the Project CENTER has agreed to perform hereunder or for debts or claims accruing to such parties against CENTER. This Agreement shall not create a contractual relationship, either express or implied, between COUNTY and any other person, firm, or corporation supplying any property, work, labor, services, goods, or materials to CENTER as a result of this Agreement, including the contractors, subcontractors, and vendors who may from time to time be employed by CENTER.

SECTION 12. SUBCONTRACTS. All contracts made by CENTER to perform the activities described in Exhibit A shall comply with all applicable laws, rules, and regulations described in Section 6 of this Agreement. Only contracts and subcontracts for work or services as set forth in Exhibit A are authorized by this Agreement. Any further property acquisitions, work, or services which CENTER wishes to subcontract shall only be approved if in writing by addendum to this Agreement and may not exceed the financial restraints forth in Section 5 of this Agreement.

SECTION 13. INDEMNIFICATION.

(a) CENTER shall hold harmless and indemnify COUNTY from and against any and all liability, loss, claims, damages, costs, attorney's fees, and expenses of whatsoever kind, type, or nature which COUNTY may sustain, suffer, or incur or be required to pay by reason of the following: loss of any monies paid to CENTER or whomsoever resulting out of CENTER's fraud, defalcation, dishonesty, or failure of CENTER to comply with applicable laws or regulations; any act or omission of CENTER in the performance of this Agreement or any part thereof; a judgment over and above the limits provided by the insurance required

hereunder or by any defect in the acquisitions or construction of the project; or as may otherwise result in any way or instance whatsoever arising from this Agreement.

(b) In the event that any action, suit, or proceeding is brought against COUNTY upon any alleged liability arising out of this Agreement or any other matter relating to this Agreement, COUNTY shall promptly provide notice in writing thereof to CENTER by registered or certified mail addressed to CENTER at the address provided hereinafter. Upon receiving such notice, CENTER, at its own expense and to the extent permitted by law, shall diligently defend against such action, suit or proceeding and take all action necessary or proper to prevent the issuance of a judgment against COUNTY. COUNTY shall cooperate to a reasonable extent in CENTER's defense of any such action, suit, or proceeding. Nothing in this section or elsewhere in this Agreement shall be construed as a waiver of COUNTY's sovereign immunity and limitations on damage claims conferred by Section 768.28, Florida Statutes.

SECTION 14. INSURANCE.

(a) General. CENTER shall, at its own expense, procure the insurance required under this Section. All paid, professional contractors, subcontractors and vendors retained by CENTER shall also be required by CENTER to maintain insurance in force of the types and amounts of coverage as set forth in this section.

(1) CENTER shall furnish COUNTY with a Certificate of Insurance signed by an authorized representative of the insurer evidencing the insurance required by this Section (Workers' Compensation/Employer's Liability and Commercial General Liability). COUNTY and its officials, officers, and employees shall be named additional insured under the Commercial General Liability policy. The Certificate of Insurance shall provide that COUNTY shall be given not

less than thirty (30) days written notice prior to the cancellation or restriction of coverage. Until such time as the insurance is no longer required to be maintained by CENTER, CENTER shall provide COUNTY with a renewal or replacement Certificate of Insurance not less than thirty (30) days before expiration or replacement of the insurance for which a previous certificate has been provided.

(2) The Certificate shall contain a statement that it is being provided in accordance with this specific Agreement and that the insurance is in full compliance with the requirements of the Agreement.

In lieu of the statement on the Certificate, CENTER shall, at the option of COUNTY, submit a sworn, notarized statement from an authorized representative of the insurer that the Certificate is being provided in accordance with the Agreement and that the insurance is in full compliance with the requirements of the Agreement.

(3) In addition to providing the Certificate of Insurance, if required by COUNTY, CENTER shall, within thirty (30) days after receipt of a written request, provide COUNTY with a certified copy of each of the policies of insurance providing the coverage required by this Section.

(4) Neither approval by COUNTY nor failure to disapprove the insurance furnished by CENTER shall relieve CENTER of its full responsibility for performance of any obligation including its indemnification of COUNTY under this Agreement.

(b) Insurance Company Requirements. Insurance companies providing the insurance under this Agreement must meet the following requirements:

(1) Companies issuing policies other than Workers' Compensation must be authorized to conduct business in the State of Florida and prove same by maintaining Certificates of Authority issued to the companies by the Department of Insurance of the State of Florida.

Policies for Workers' Compensation may be issued by companies authorized as a group self-insurer by Section 440.57, Florida Statutes.

(2) In addition, such companies other than those authorized by Section 440.57, Florida Statutes, shall have and maintain a Best's Rating of "A" or better and a Financial Size Category of "VII" or better according to A.M. Best Company.

(3) If, during the period which an insurance company is providing the insurance coverage required by this Agreement, an insurance company shall: (i) lose its Certificate of Authority, (ii) no longer comply with Section 440.57, Florida Statutes, or (iii) fail to maintain the requisite Best's Rating and Financial Size Category, CENTER shall, as soon as CENTER has knowledge of any such circumstance, immediately notify COUNTY and immediately replace the insurance coverage provided by the insurance company with a different insurance company meeting the requirements of this Agreement. Until such time as CENTER has replaced the unacceptable insurer with an insurer acceptable to COUNTY, CENTER shall be deemed to be in default of this Agreement.

(c) Specifications. Without limiting any of the other obligations or liability of CENTER, CENTER shall, at its sole expense, procure, maintain, and keep in force amounts and types of insurance conforming to the minimum requirements set forth in this Section. Except as otherwise specified in the Agreement, the insurance shall become effective prior to the commencement of work by CENTER and shall be maintained in force until the Agreement completion date. The amounts and types of insurance shall conform to the following minimum requirements.

(1) Workers' Compensation/Employer's Liability.

(A) CENTER's insurance shall cover CENTER for liability which would be covered by the latest edition of the standard

Workers' Compensation Policy, as filed for use in Florida by the National Council on Compensation Insurance, without restrictive endorsements. CENTER will also be responsible for procuring proper proof of coverage from its subcontractors of every tier for liability which is a result of a Workers' Compensation injury to the subcontractor's employees. The minimum required limits to be provided by both CENTER and its subcontractors are outlined in subsection (C) below. In addition to coverage for the Florida Workers' Compensation Act, where appropriate, coverage is to be included for the United States Longshoremen and Harbor Workers' Compensation Act, Federal Employers' Liability Act, and any other applicable Federal or State law.

(B) Subject to the restrictions of coverage found in the standard Workers' Compensation Policy, there shall be no maximum limit on the amount of coverage for liability imposed by the Florida Workers' Compensation Act or any other coverage customarily insured under Part One of the standard Workers' Compensation Policy.

(C) The minimum amount of coverage under Part Two of the standard Workers' Compensation Policy shall be:

\$1,000,000.00	(Each Accident)
\$1,000,000.00	(Disease-Policy Limit)
\$1,000,000.00	(Disease-Each Employee)

(2) Commercial General Liability.

(A) CENTER's insurance shall cover CENTER for those sources of liability which would be covered by the latest edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01), as filed for use in the State of Florida by the Insurance Services Office, without the attachment of restrictive endorsements other than the elimination of Coverage C, Medical Payment and the elimination of coverage for Fire Damage Legal Liability.

(B) The minimum limits to be maintained by CENTER

(inclusive of any amounts provided by an Umbrella or Excess policy) shall be as follows:

General Aggregate	\$2,000,000.00 ¹
Personal & Advertising Injury Limit	\$1,000,000.00
Each Occurrence Limit	\$1,000,000.00
Automobile/Other Motor Vehicle	\$1,000,000.00 ²

¹ May also be structured as \$1,000,000.00 in coordination with a \$1,000,000.00 umbrella policy.

² Each occurrence.

(3) Builder's All Risk Insurance. If this Contract includes construction of or additions to above ground buildings or structures, Builder's Risk coverage must be provided as follows:

(A) Builder's All Risk Coverage. Coverage is to be no more restrictive than that afforded by the latest edition of Insurance Services Office Forms CP 00 20 and CP 10 30.

(B) Amount of Insurance. The amount of coverage shall be equal to one hundred percent  (100%) of the completed value of such additions, buildings or structures.

(C) Maximum Deductible: FIVE THOUSAND AND NO/100 DOLLARS (\$5,000.00) per claim.

(D) Waiver of Occupancy Clause or Warranty. The policy must be specifically endorsed to eliminate any "Occupancy Clause" or similar warranty or representation that the buildings, additions, or structures in the course of construction shall not be occupied without specific endorsement of the policy. The policy must be endorsed to provide that Builder's Risk coverage will continue to apply until final acceptance of the buildings, additions, or structures by OWNER.

(E) Exclusions. Exclusions for design errors or defects, theft, earth movement, and rainwater shall be removed.

(F) Flood Insurance. If buildings or structures are located within a special flood hazard area, flood insurance must be

afforded for the lesser of the total insurable value of such buildings or structures, or the maximum amount of flood insurance coverage available under the National Flood Program.

(d) Coverage. The insurance provided by CENTER pursuant to this Agreement shall apply on a primary basis and any other insurance or self-insurance maintained by COUNTY or COUNTY'S officials, officers, or employees shall be excess of and not contributing to the insurance provided by or on behalf of CENTER.

(e) Occurrence Basis. The Workers' Compensation Policy and the Commercial General Liability required by this Agreement shall be provided on an occurrence rather than a claims-made basis.

(f) Obligations. Compliance with the foregoing insurance requirements shall not relieve CENTER, its employees, or its agents of liability from any obligation under a Section or any other portions of this Agreement.



SECTION 15. PERFORMANCE BONDS AND USE OF OUTSIDE CONTRACTORS.

(a) If CENTER hires professional contractors, subcontractors or vendors providing labor, goods, or services for monetary or in-kind compensation and not on a voluntary or donation basis in connection with the services covered by this Agreement, CENTER shall remain fully responsible for the adequacy of goods and services provided by said persons. All paid professional contractors, subcontractors, or vendors retained by CENTER for Project goods and services shall be pre-approved by COUNTY before CENTER enters into any contract with such outside parties. CENTER shall provide COUNTY a copy of the proposed contract(s) at the time approval is sought. COUNTY shall have fifteen (15) days from the date of receipt of the request and the copy of the proposed contract(s) to approve or disapprove the selected person(s). Approval or disapproval shall be in writing and signed by the CS

Administrator. COUNTY's failure to timely provide written notice shall be deemed as an approval, and CENTER shall then be free to enter into the contract without further delay. CENTER shall be fully responsible for the prompt payment thereof and prompt removal of any liens that may be filed by such persons. Failure to present marketable title free and clear of any such liens shall be deemed an event of default under this Agreement and shall be grounds for COUNTY to withhold remaining payments to CENTER or to initiate recapture of funds already paid. All professional contractors, subcontractors, or vendors shall be properly licensed and subject to the same insurance requirements as CENTER under this Agreement. No COUNTY approvals shall be required for contractors, subcontractors, or vendors providing donated labor, goods, and services.

(b) Professional contractors, subcontractors, or vendors providing goods and services to CENTER other than on a donated basis shall be required to post performance bonds at least equal to the dollar value of the contracted goods and services for the Project. CENTER shall furnish COUNTY with a copy of the performance bond(s) in the full amount of the contracted price. The bond shall be issued by a reliable surety company in a form acceptable to COUNTY and shall be made payable to CENTER and COUNTY. Said bond(s) shall ensure that the time of delivery of goods and services is satisfactorily met, that the work performed and equipment or materials supplied meet all specifications, and that all warranties shall be honored. If at any time after the execution of this Agreement, COUNTY shall deem the surety or sureties to be unsatisfactory, or if for any reason the performance bond ceases to be adequate to cover the performance and payments of the work, CENTER shall, at its own expense if necessary and within fifteen (15) days after receipt of Notice from COUNTY to do

so, cause its professional contractors, subcontractors, or vendors furnish additional bond(s) in such form and amounts and with such sureties as shall be satisfactory to COUNTY.

SECTION 16. NON-ASSIGNABILITY. Neither party shall assign this Agreement without the prior written consent of the other in a document of equal dignity herewith.

SECTION 17. HEADINGS. All articles and descriptive headings of paragraphs in this Agreement are inserted for convenience only and shall not affect the construction or interpretation hereof.

SECTION 18. HOME PROGRAM PROCEEDS AND PROGRAM INCOME DERIVED UNDER THIS AGREEMENT.

(a) Any and all Program Income, as well as HOME Program funds on hand, derived as a direct result of the investment of any COUNTY funds awarded hereunder, shall first be expended by CENTER before requesting subsequent direct payment to vendors or reimbursement to CENTER from COUNTY.



(b) If any of said HOME Program proceeds or Program Income is received by CENTER after expiration of the term of this Agreement, such Program Income shall be used by CENTER to provide affordable housing services to other Very Low Income and Low Income residents of Seminole County similar to the uses set forth herein.

SECTION 19. NON-EXPENDABLE PROPERTY. Any non-expendable personal property acquired by CENTER through funds issued by COUNTY pursuant to this Agreement shall be subject to all federal, state, and local regulations, including but not limited to, the provisions on use and disposition of property. At the termination of this Agreement, any such property shall be made available to COUNTY and HUD in accordance with the aforesaid provisions.

SECTION 20. REVERSION OF ASSETS. Pursuant to 24 C.F.R. 92.504, upon expiration of this Agreement, CENTER shall immediately transfer to COUNTY any remaining HOME funds and any accounts receivable attributable to the use of HOME funds distributed pursuant to this Agreement.

SECTION 21. SUSPENSION AND TERMINATION. COUNTY may terminate this Agreement in accordance with the provisions of 24 C.F.R. Section 85.43 for breach of this Agreement or for other legal cause. This Agreement may also be terminated for convenience in accordance with 24 C.F.R. Section 85.44.

SECTION 22. BREACH. Any failure to comply with the Scope of Services or other terms of this Agreement shall constitute a breach of this Agreement.

SECTION 23. REMEDIES. Upon determination that a breach has occurred, COUNTY reserves all legal and equitable rights to enforce this Agreement and/or recover any monies paid to CENTER pursuant to this Agreement. Specifically and additionally, COUNTY shall have the following available remedies:

- (a) Immediately terminate this Agreement, with or without notice;
- (b) Reallocate the remaining uncommitted funds toward another HOME authorized program or replenishment of COUNTY's trust fund;
- (c) Withhold issuance of any further funds, regardless of whether such funds have been encumbered by CENTER;
- (d) Demand CENTER immediately repay any monies expended in accordance with this Agreement;
- (e) Require specific performance of this Agreement, including any and all of the terms of the attached Exhibits;
- (f) Demand payment and/or performance from the surety, if applicable; and/or

(g) Impose a lien upon the real property comprising the Project. To create such a lien, COUNTY shall send a letter to CENTER demanding refund of any monies expended to CENTER pursuant to this Agreement. Said letter shall be recorded in the Public Records of Seminole County and thereafter shall constitute a formal claim of lien upon CENTER's real and personal property.

(h) Initiation and prosecution of any available legal or equitable remedy in a court of competent jurisdiction.

SECTION 24. CERTIFICATION REGARDING LOBBYING. CENTER hereby certifies that to the best of its knowledge and belief:

(a) No federally appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence any officer or employee of any agency, member of Congress, officer or employee of Congress, or employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.

(b) If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence any officer or employee of any agency, member of Congress, officer or employee of Congress, or employee of a member of Congress in connection with this Agreement, CENTER shall complete and submit a "Disclosure of Lobbying Activities" standard form as approved by the Office of Management and Budget.

(c) CENTER hereby further agrees that monies received from COUNTY pursuant to this Agreement will not be used for the purpose of lobbying the Florida legislature, the judicial branch, or a state agency.

SECTION 25. NOTICE. Whenever either party desires to give notice unto the other, notice shall be sent to:

For COUNTY:

CS Administrator
Community Assistance Division
534 W. Lake Mary Blvd.
Sanford, FL 32773

For CENTER:

Executive Director
The Center for Affordable Housing
2524 S. Park Dr.
Sanford, FL 32773

Either of the parties may change, by written notice, the address or person for receipt of notice.

SECTION 26. ENTIRE AGREEMENT, EFFECT ON PRIOR AGREEMENT. This instrument constitutes the entire agreement between the parties and supersedes all previous discussions, understandings, and agreements.

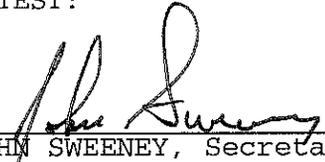
SECTION 27. AMENDMENT TO AGREEMENT. This Agreement may be amended by a written instrument executed with the same formality as this Agreement. The expansion of the Project may be done by amendment to this Agreement signed by both parties describing the number of units, completion dates, and other particulars sufficient to permit a restatement of Exhibits A and B, which shall also be deemed revised. Upon adoption, such amendment shall be attached to each party's copy of this Agreement.

SECTION 28. SEVERABILITY. If any one or more of the covenants or provisions of this Agreement shall be held to be contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited or against public policy, or shall for any reason whatsoever be held invalid, then such covenants or provisions shall be null and void, shall be deemed separable from the remaining covenants or provisions of this Agreement, and shall in no way affect the validity of

the remaining covenants or provisions thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed:

ATTEST:



JOHN SWEENEY, Secretary
[CORPORATE SEAL]

THE CENTER FOR AFFORDABLE HOUSING, INC.

By: 

~~CUSAN CASWELL~~, President
STEPHEN COLD,
Date: 8/02/07

ATTEST:

BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA

MARYANNE MORSE
Clerk to the Board of
County Commissioners of
Seminole County, Florida.

By: _____
CARLTON HENLEY, Chairman

Date: _____

For the use and reliance
of Seminole County only.

As authorized for execution
by the Board of County Commissioners
at their _____, 20____
regular meeting.

Approved as to form and
legal sufficiency.

County Attorney

Attachments:

- Exhibit A: Scope of Services and Schedule 1 - Project Development Timeline
- Exhibit B: Project Budget
- Exhibit C: Application for Payment Form (Composite Exhibit)
- Exhibit D: Monthly Report
- Exhibit E: End of Project Report
- Exhibit F: Restrictive Use Covenant
- Exhibit G: Other HOME Program Compliance Standards and Requirements (Composite Exhibit)

AWS:jjr
7/20/07

P:\Users\aschneider\HUD-CDBG\Center For Affordable Housing - HOME 15 townhouse -2007.doc

EXHIBIT A

GENERAL SCOPE OF SERVICES

GENERALLY:

All capitalized words and terms herein shall have the same meanings ascribed to them in the attached Agreement.

CENTER shall develop at least fifteen (15) affordable, owner occupied, townhouse units on the Property located in the City of Sanford, Florida as more particularly described in paragraph 16 hereof, for Very Low Income and Low Income households. The CENTER shall use the funds issued by the COUNTY pursuant to this Agreement along with other funding to develop and market fifteen (15) housing units comprising the Project to income-qualified purchasers. No less than fifteen (15) townhouse units shall be constructed. At least three (3) of said units shall be sold only to Very Low Income households and the remaining twelve (12) units shall only be sold to Low Income households.

In no event shall any of the housing units be sold to persons other than Very Low Income and Low Income households during the twenty (20) year Affordability Period.

SPECIFIC OBLIGATIONS:

1. The 15 townhouse units comprising the Project shall consist of 3-bedroom, 2-bath units, each having approximately 1,500 square feet. The Project shall be constructed on the parcel of real property located in the City of Sanford, Florida, legally described in paragraph 15 of this Exhibit. The Project shall also comply with all

of the other terms and conditions of this Exhibit A (including Schedule 1 hereto) and Exhibits B, C, D, E, F, and G, attached to the Agreement.

2. CENTER shall prepare all documents required for bidding any and all aspects of the Project in accordance with legal requirements. The bid documents shall be submitted to the COUNTY for review and approval prior to commencement of the bidding process.

3. CENTER shall meet with the CS Administrator and his or her staff prior to and/or during the work description write ups and development of architectural design and plans to better assure accuracy and quality of the final work product.

4. CENTER shall advertise for bids and provide bidder(s) with a specific response period in accordance with legal requirements.

5. Following the close of the bidding period, the COUNTY and CENTER shall jointly review the bids received and bidder(s) qualifications. CENTER shall select, upon COUNTY approval, the bidders to be awarded the contract work. CENTER shall prepare, negotiate and execute a contract with the selected bidder. No award of Project bids may be made in the absence of COUNTY approval. The COUNTY shall have fifteen (15) days to review submitted bids and if no approval or disapproval is rendered within said time frame, the bids shall be deemed to have been approved and CENTER may proceed to award the bid(s).

6. CENTER shall prepare design plans and budgets for the Project which must be designed and constructed so as to conform to "Model Energy Code" or the Energy Star standards, whichever is

applicable under HOME regulations.

7. CENTER shall monitor and inspect all pre-development, development and design and construction activities to ensure compliance with this Agreement.

8. CENTER shall secure all necessary permits for site development and building construction, land use, zoning and other regulatory approvals, inspections and certificates required for all phases of the Project.

9. CENTER shall advertise the availability of the Project units in accordance with the requirements of 24 CFR 92.351 (Affirmative Marketing and Minority Outreach). CENTER shall be responsible for verifying prospective homebuyers' income eligibility for purchase.

10. The CENTER Project Manager shall be the liaison to the COUNTY and responsible for responding to all requests by the COUNTY.

11. No CENTER board member, employee, or any related family member of either shall receive or obtain gain or profit in the form of a real estate commission, appraisal contract fee or payment or engage in any activity that would constitute a conflict of interest or other ethical breach for any other related product or service for properties purchased or sold by them in accordance with this Agreement.

12. CENTER shall complete the Project by no later than December 31, 2008.

13. CENTER shall limit the sales price for all completed townhouse units to 95% of the median purchase price as required by 24 CFR 92.254(a)(i) and published by HUD for the Orlando Metropolitan Statistical Area.

14. CENTER shall not invest any more HOME Program funds in the Project than is allowed by the HOME Maximum Subsidy Limits as published by HUD and as required by 24 CFR 92.250 at the time of execution of this Agreement.

15. The Project shall be developed on that certain parcel of real property located at 701 W. 22nd Street in the City of Sanford, Florida, the legal description and parcel identification number for which are as follows:

LOTS 1 THROUGH 5 AND THE NORTH 35.79 FEET OF LOT 6 AND LOTS 13 THROUGH 17 AND THE NORTH 35.86 FEET OF LOT 18, AND THE ABANDONED ALLEY LYING BETWEEN SAID LOTS ALONG WITH THE VACATED WEST 1/2 OF MAPLE AVENUE LYING EAST OF AND ADJACENT TO SAID LOTS, BONAVENTURE, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 5, PAGE 85 OF THE PUBLIC RECORDS OF SEMINOLE COUNTY, FLORIDA

Parcel Identification Number: 36-19-30-523-0000-0010

16. For those completed housing units sold to persons or households utilizing only private mortgage financing, CENTER shall execute and record a Restrictive Use Covenant in the form attached as Exhibit "F" to this Agreement as a condition of the sale of the unit. Sales of units to persons or households utilizing SHIP downpayment assistance through COUNTY shall provide for compliance with the Affordability Period through the SHIP financing documents in lieu of a Restrictive Covenant.

17. CENTER shall timely complete all phases of the Project development, construction, and marketing of the townhouses in accordance with Schedule 1 to this Exhibit A, incorporated herein by reference.

18. CENTER shall also comply with all of the requirements set

forth in Composite Exhibit H to the Agreement as follows:

- a. G-1 - Housing Quality, Site, and Neighborhood Standards HOME Program - New Construction;
- b. G-2 - Affirmative Marketing Procedure and Requirements;
- c. G-3 - Minority Outreach Policy;
- d. G-4 - HOME Program Conflict of Interest Policy;
- e. G-5 - Compliance Provisions Relative to Section 504 of the Rehabilitation Act of 1973.

EXHIBIT B
PROJECT BUDGET

<u>ACTIVITY</u>	<u>FUNDS</u>
Land acquisition, development and construction of fifteen (15) affordable housing units serving Very Low and Low Income households. <i>2005-2006 HOME funds 066606</i>	\$237,000.00
Land acquisition, development and construction of fifteen (15) affordable housing units serving Very Low and Low Income households. <i>2006-2007 HOME funds 066607</i>	\$768,000.00
Developer's Fees to be paid according to the schedule set forth in section 5 of the Agreement	\$150,000.00
Total	\$1,155,000.00

EXHIBIT D

MONTHLY REPORT

Status Report for Month of _____

Subrecipient THE CENTER FOR AFFORDABLE HOUSING, INC.
 Mailing Address _____
 Contact Person _____
 Telephone _____

NARRATIVE DESCRIPTION OF ACTIVITY STATUS/MILESTONES:

III. BUDGET STATUS

ACTIVITY	ESTIMATED BUDGET	EXPENSES PAID THIS MONTH	TOTAL EXPENSES PAID TO DATE	OUTSTANDING OBLIGATIONS	BUDGET BALANCE
TOTAL					

Any other special accomplishments: _____

Signed: _____

EXHIBIT E

END OF PROJECT REPORT

CENTER OF ORGANIZATION: **THE CENTER FOR AFFORDABLE HOUSING, INC.**

Fiscal year: _____

Type of service provided: _____

Total number of people served: _____

Total units meeting Model Energy Code or Energy Star standards: _____

Total units designated for persons with HIV/AIDS: _____

Total units designated for Homeless Households: _____

No. of Households or Persons Assisted	Very Low and Low Income	American Indian or Alaska Native	Asian	Black or African American	Native Hawaiian or Other Pacific Islander	White	Hispanic or Latino	Not Hispanic or Latino	Female Headed Household

Any other special accomplishments:

Signed: _____

This document was prepared by:
Arnold W. Schneider, Esq.
County Attorney's Office
Seminole County Government
1101 East First Street
Sanford, FL 32771

Please return it to:
Community Development Office
Seminole County Government
1101 East First Street
Sanford, FL 32771

EXHIBIT "F"

RESTRICTIVE USE COVENANT

This Restrictive Use Covenant is made by the Center For Affordable Housing, Inc. as fee simple owner (the "Owner") of that certain parcel of real property the legal description and parcel identification number for which are as follows:

(INSERT LEGAL DESCRIPTION HERE)

Parcel Identification Number: (INSERT PARCEL ID # HERE)

Hereinafter, the "Property".

The use of the Property shall be restricted to providing owner occupied housing for Very Low Income and Low Income households as defined below and subject to the terms and conditions of that certain Seminole County/The Center For Affordable Housing, Inc. HOME Program Community Housing Development Organization Affordable Housing Development Agreement between Seminole County, Florida and Owner dated _____, 2007, relating to the County's grant to Owner of an allocation of Federal Department of Housing and Urban Development ("HUD") HOME funds towards development and construction of fifteen (15) townhouse units, including the above described Property. Said use restriction shall be in full force and effect until the 20th anniversary of the recording date of this instrument, whichever is later (the "Affordability Period").

"Affordability Period" means the length of time for which the Property herein described shall comply with the United States Department of Housing and Urban Development HOME Program regulations and be used solely for the owner-occupied affordable housing purpose herein described pursuant to 24 CFR Part 92, and COUNTY requirements, which shall be a term of twenty (20) years.

"Low Income" means gross household income not to exceed eighty percent (80%) of the median family income within the Orlando Metropolitan Statistical Area during the term of this Agreement.

"Very Low Income" means gross household income not to exceed fifty

percent (50%) of the median family income within the Orlando Metropolitan Statistical Area during the term of this Agreement.

This Restrictive Use Covenant is a covenant running with the land and shall be for the benefit of the current Owner, its successors in title, and is expressly for the benefit of Seminole County, Florida and may be enforced by such persons and the County in any lawful manner. This Restrictive Use Covenant may be released prior to the expiration of the Affordability Period only upon the consent of Seminole County as evidenced by an instrument to that effect executed by the Board of County Commissioners of Seminole County, Florida and recorded in the Official Records of Seminole County, Florida.

IN WITNESS WHEREOF, the parties hereto have caused this instrument be executed:

ATTEST:

THE CENTER FOR AFFORDABLE HOUSING, INC.

John Sweeney
JOHN SWEENEY, Secretary

By: *Stephen R. Cold*
~~SUSAN CROWELL~~, President
STEPHEN COLD,

[CORPORATE SEAL]

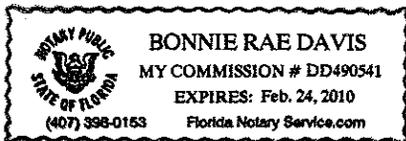
Date: 8/02/07

STATE OF FLORIDA]
]
COUNTY OF SEMINOLE]

I HEREBY CERTIFY that, on this 2nd day of August, 2007, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared ~~SUSAN CROWELL~~ **STEPHEN COLD**, as President and JOHN SWEENEY, as Secretary of the Center for Affordable Housing, Inc., a non-profit corporation organized under the laws of the State of Florida, who are personally known to me or who have produced _____, respectively, as identification. They have acknowledged before me that they executed the foregoing instrument as such officers in, and on behalf of, the corporation, and that they also affixed thereto the official seal of the corporation.

[Notary seal]

Bonnie Rae Davis
Print Name Bonnie Rae Davis
Notary Public in and for the County
and State Aforementioned



COMPOSITE EXHIBIT G

- G-1 Housing Quality, Site and Neighborhood Standards
- G-2 Seminole County Home Program Affirmative Marketing Procedures and Requirements (Equal Housing Opportunity)
- G-3 Minority Outreach Policy (24 C.F.R. 92.351(b) - HOME Program Seminole County Government
- G-4 Conflict of Interest Policy - HOME Program
- G-5 US-HUD CPD-05-9 - Accessibility Notice

HOUSING QUALITY, SITE AND NEIGHBORHOOD STANDARDS

Seminole County HOME Program

New Housing Construction

Housing Quality Standards

All newly constructed housing must meet these standards both at completion of construction, and throughout the assisted tenancy. Any variations from these standards may only be approved by the Community Services Department Director.

The Community Services Department Director will not approve any acceptability criteria variation if s/he believes that such variation is likely to adversely affect the health or safety of participant families, or severely restrict housing choice.

Sanitary facilities:

The dwelling unit must include sanitary facilities located within the unit. The sanitary facilities must be in proper operating condition, and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be private.

The bathroom must be located in a separate private room and have a flush toilet in proper operating condition. The dwelling unit must have a fixed washing basin in proper operating condition, with a sink trap and hot and cold running water.

The dwelling unit must have a shower or a bathtub in proper operating condition with hot and cold running water.

The sanitary sewer facilities must utilize an approved public or private disposal system (including a locally approvable on-site septic system).

Food preparation and refuse disposal:

The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.

There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary (e.g., garbage cans).

Each dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. The equipment may be supplied by either the owner or the tenant.

In a shelter-type facility, each tenant household must have access to an oven and stove or range. A microwave oven may be substituted for an oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.

The dwelling unit must have a kitchen sink in proper operating condition, with a sink and hot and cold running water. The sink must drain into an approvable public or private system.

The dwelling unit must have space for the storage, preparation, and serving of food.

There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (e.g., garbage cans).

Space and security:

The dwelling unit must provide adequate space and security for the family. At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.

The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.

Dwelling unit windows that are accessible from the outside, such as first floor and fire escape windows, must be lockable. Inoperable windows are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.

The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.

Thermal environment:

The dwelling unit must have and be capable of maintaining an acceptable thermal environment healthy for the human body. There must be a safe system for heating the dwelling unit and a safe cooling system. The system must be in proper operating condition. The system must be able to provide adequate heat and cooling, either directly or indirectly, to each room, in order to assure a healthy living environment.

Illumination and electricity:

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have a sufficient electrical source(s) so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.

There must be at least one window in the living room and in each sleeping room.

The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.

Each living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.

Structure and materials:

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment. Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, loose surface materials, severe buckling, missing parts, or other serious damage.

The roof must be structurally sound and weatherproof.

The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.

The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, loose boards are unacceptable.

All elevators must be working and safe.

Interior air quality:

The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, radon, and other harmful pollutants.

There must be adequate air circulation in the dwelling unit. Bathroom areas must have one operable window or other adequate exhaust ventilation. Any room used for sleeping must have at least one window. If the window is designed to be operable, the window must work.

Water supply:

The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

Access performance requirement:

The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

Site:

The site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

Sanitary condition:

The dwelling unit and its equipment must be in sanitary condition. The dwelling unit and its equipment must be free of vermin and rodent infestation.

Smoke detectors:

Except as provided in the next paragraph of this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system, designed for hearing-impaired persons as specified in NFPA 74 (or successor standards).

Site and neighborhood standards.

In addition to meeting the standards required above, the proposed sites for new housing construction must meet the following site and neighborhood standards:

(1) Be adequate in size, exposure and contour to accommodate the number and type of units proposed; adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)

(2) With respect to availability and cost of land and housing, be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, E.O. 11063, and HUD regulations issued pursuant thereto.

(3) With respect to availability and cost of land and housing, promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of lower income persons.

(4) Be accessible to social, recreational, educational, commercial, and health facilities and services, and other facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(5) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower income workers is not excessive. (While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.)

Neighborhood:

The neighborhood must not be one which is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

Except for new construction housing designed for elderly persons, travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.



**SEMINOLE COUNTY HOME PROGRAM
AFFIRMATIVE MARKETING PROCEDURES & REQUIREMENTS
(EQUAL HOUSING OPPORTUNITY)**

It is the policy of the Seminole County (Community Services Department, Community Assistance Division, Community Development Office) not to discriminate against any person on the basis of ethnicity, color, national origin, sex, religion, familial status, or disability:

- In the sale or rental of housing or real property;
- In advertising the sale or rental of housing of any type;
- In the financing or refinancing of housing;
- In the provision of real estate or mortgage/lending services; or
- In the appraisal or insuring or title of housing.

PURPOSE (24 CFR 92.351 (a) (1))

These Affirmative Marketing Procedures and Requirements (the Procedures) are developed for use in HOME Investment Partnerships (HOME) Program-funded projects in accordance with the HOME Program regulations including, but not limited to, 24 CFR 92.351. The Procedures are a commitment by Seminole County, a HOME Participating Jurisdiction (PJ), and any HOME-funded agency (Partner), for rental and homebuyer projects containing five (5) or more HOME-assisted housing units. Each funded Partner shares responsibility with the County to inform the public about the Federal Fair Housing Laws, solicit eligible persons without regard to ethnicity, color, national origin, sex, religion, familial status or disability into the affordable housing market, and to annually evaluate the effectiveness of these marketing efforts.

The Procedures are documented and maintained in the Community Development Office files and shall be used in all County-issued HOME Requests for Proposals (RFPs) and HOME funding agreements. Each Partner is held to the terms of the Procedures by the requirements in all applicable subrecipient agreements or Community Housing Development Organization (CHDO) agreements.

In accordance with the regulations of the HOME Program and in furtherance of Seminole County's commitment to fair housing and equal housing opportunity, these Procedures establish ways and methods to affirmatively market rental or homeowner units constructed, rehabilitated, or otherwise assisted under the County's HOME Program. These procedures are designed to assure that individuals who normally might not apply for available housing units because they are socially and/or economically disadvantaged are provided an ample opportunity to apply.

PROCEDURES AND REQUIREMENTS

1. **METHODS THE COUNTY WILL USE TO INFORM THE PUBLIC, POTENTIAL TENANTS, AND POTENTIAL OWNERS ABOUT FEDERAL FAIR HOUSING LAWS AND AFFIRMATIVE MARKETING PROCEDURES AND REQUIREMENTS. [24 CFR 92.351 (a) (1)]**

- A. The Seminole County Community Development Office shall implement the Procedures and evaluate their effectiveness as required by the HOME Program regulations. This responsibility shall include, but is not limited to the following:
- 1) Inform the community about the Procedures through periodic updates with its Partners through, (a) training workshops and roundtable meetings with its active and potential HOME Partners; (b) advertisements in local newspapers of general circulation and other media outlets targeted to special groups and areas, including Seminole Government Television (SGTV); (c) posting the Procedures at various sites known to be frequented by very low income and other hard-to-reach populations (such as Public Housing Authority offices, offices of nonprofit housing providers, bulletin boards at publicly subsidized rental housing complexes, etc.; and (d) posting the Procedures on the County website (www.seminolecountyfl.gov/).
 - 2) Display the HUD Equal Housing Opportunity logo on all graphic presentations by the County and its Partners relating to the HOME Program including, but not limited to, press releases and advertisements.
 - 3) Provide each Partner with copies of the brochure "*Fair Housing, Equal Opportunity for All*," provided by HUD, or a similar document at the time they apply for HOME funding. Each Partner shall provide homeowners, tenants, rental property owners, and other applicants with copies.
 - 4) Provide general information and telephone numbers for persons to contact the Community Development Office with questions regarding Affirmative Marketing, Fair Housing, tenant's rights, affordable housing, special needs housing and the correction of substandard conditions in tenant-occupied dwellings.

2. REQUIREMENTS AND PRACTICES ALL HOUSING PARTNERS MUST ADHERE TO IN ORDER TO CARRY OUT THE COUNTY'S AFFIRMATIVE MARKETING PROCEDURES AND REQUIREMENTS. [24 CFR 92.351 (a) (2) (ii)]

At a minimum, each Partner of a housing project assisted or partially assisted with HOME Program funds shall:

- 1) Incorporate the Equal Housing Opportunity logo or statement in its correspondence (including any lease or purchase agreement), which shall be used relating to the HOME Program.
- 2) Affirmatively state a position of equal opportunity in housing when advertising the units or vacancies. *At a minimum*, each Partner must:
 - a) Use the Equal Housing Opportunity logo in print and visual electronic advertising media;
 - b) Broadcast an Equal Housing Opportunity statement, if radio advertising is utilized; and
 - c) Display the HUD Fair Housing poster in a high traffic area of its central sales/rental offices.
 - d) Provide required information in Spanish.

3. **PROCEDURES TO BE USED BY PARTNERS OF PROJECTS THAT HAVE FIVE (5) OR MORE HOME-ASSISTED UNITS TO INFORM AND SOLICIT APPLICATIONS FROM PERSONS IN THE HOUSING MARKET AREA WHO ARE NOT LIKELY TO APPLY FOR HOUSING WITHOUT SPECIAL OUTREACH. [24 CFR 92.351 (a) (2) (iii)]**

A. Each Partner of a project that has five (5) or more HOME-assisted units shall, at a minimum:

- 1) Consider factors such as price or rent of housing, the ethnic characteristics of the neighborhood in which housing is to be located, the population within the housing market area, public transportation routes, etc., to determine which group or groups of the existing population are believed to be the least likely to apply without special outreach. The Partner may use Census data, neighborhood surveys, and information from local government agencies, real estate associations and community-based organizations as acceptable sources to gather this information.
- 2) Describe the marketing plan to be used in the initial sales/rental phase as well as the ongoing marketing phase, to attract all segments of the eligible population, especially those groups designated as least like to apply. This shall include the type of media to be used, identity of the circulation or audiences of the media identified in the plan, and other community contacts and organizations used to reach populations or identifiable groups of persons needing special outreach.
- 3) Post and/or distribute information about the project to any such special outreach populations that are being targeted for residence in the units.

4. **RECORDS THAT WILL BE KEPT TO DESCRIBE ACTIONS TAKEN BY THE COUNTY AND BENEFICIARIES TO AFFIRMATIVELY MARKET UNITS AND RECORDS TO ASSESS ACTIONS. [24 CFR 92.351 (a) (2) (iv)]**

A. Seminole County will keep the following records:

- 1) Copies of all meeting agendas and related materials of the County's Affordable Housing Partnership pertaining to these Procedures, and all agendas and training materials of any HOME/CHDO training workshop pertaining to these Procedures.
- 2) Copies of all press releases, advertisements and other written and electronic materials that pertain to this Policy.

B. The County shall also require all Partners assisted with HOME funds to maintain records of how housing vacancies are advertised. All Partners shall maintain a record of classified advertisements, flyers, electronic media spots, or other marketing materials used to affirmatively market HOME-assisted units for at least two years.

- C. A Partner of a project that has five (5) or more HOME-assisted units shall also maintain a record of applicants for vacant units with a general profile of the applicant, and shall denote the following:
- 1) How the applicant learned of the vacancy;
 - 2) The outcome (acceptance or rejection) of the applicant; and
 - 3) If rejected, why.
- D. Each Partner shall submit to the County annual reports through September 30th, as established by any HOME or HOME/CHDO Agreement, identifying persons served.
5. **DESCRIPTION OF HOW SEMINOLE COUNTY WILL ASSESS THE EFFECTIVENESS OF THE AFFIRMATIVELY MARKETING PROCEDURES AND REQUIREMENTS, AND WHAT CORRECTIVE ACTIONS WILL BE TAKEN. [24 CFR 92.351 (a) (2) (v)]**
- A. The Procedures will be assessed on an annual basis and will include a summary of the "good faith efforts" taken by the County and by HOME and HOME/CHDO Partners in the Consolidated Annual Performance and Evaluation Report (CAPER).
- B. The Community Development Office will evaluate the information compiled in Section 4 (Recordkeeping), and will estimate the degree to which statutory and policy objectives were met. If the required steps were taken, the County will make an assumption that good faith efforts were made to carry out these procedures.
- C. In conjunction with the annual on-site monitoring reviews conducted by the County, each Partner shall produce records of:
- 1) Affirmative marketing efforts;
 - 2) Applicants; and
 - 3) Outcomes.
- D. The County will take corrective action if it is determined that a Partner has failed to carry out affirmative marketing efforts as required. The County will provide written notice to the respective Partner of the problems that have been identified, and the corrective action steps that need to be taken. The County shall follow all procedures for taking corrective action as provided in the Seminole County Consolidated Plan for the HOME Program.



MINORITY OUTREACH POLICY
[24 CFR 92.351 (b)]
HOME PROGRAM
SEMINOLE COUNTY GOVERNMENT

It is the policy of Seminole County, in administering and implementing its HOME Investment Partnerships (HOME) Program and its projects, to involve minorities and women, including minority business enterprises and women business enterprises, to the fullest extent possible. This relates, where necessary, to minority and women vendors, contractors, subcontractors, labor, real estate firms, construction firms, appraisal firms, financial institutions, underwriters, accountants, and providers of specialized legal services, in all contracts entered into by the County, in the provision of affordable housing for lower income households.

Seminole County will take affirmative steps to assure that small business enterprises, minority business enterprises, and women business enterprises are used when possible in the procurement of property, goods, and services. Affirmative steps may include, but are not limited to, the following:

1. Placing known, available, and qualified small business, minority business, and women business enterprises on solicitation lists for HOME Program activities;
2. Assuring that small business, minority business, and women business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small business, minority business, and women business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small business, minority business, and women business enterprises;
5. Using the services and assistance of the Small Business Administration, the Minority Business Development Agency of the Department of Commerce, and the Small Business Development Centers of Seminole Community College and the University of Central Florida; and
6. Requiring prime contractors, if subcontracts are to be let, to take the affirmative steps listed in items 1 through 5 of this paragraph.

CONFLICT OF INTEREST POLICY

HOME Program

Seminole County, FL

Applicability:

In the procurement of property and services by Seminole County and its HOME Program subrecipients (whether private, for-profit, nonprofit, or Community Housing Development Organization [CHDO]), the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all situations not governed by those provisions, the provisions of this Policy apply.

Where more strict or complimentary provisions are imposed by Part III, Chapter 112, Florida Statutes (Code of Ethics for Public Officers and Employees), which are not inconsistent with the above cited regulations, such state statutes shall also be deemed controlling on all persons covered by this Policy. Covered Persons (as defined below) as well as Owners, Sponsors, Developers and Subrecipients shall be further bound by the provision of Chapter 220, Seminole County Code (the "Purchasing Code") including particularly section 220.115 thereof, prohibiting the giving or acceptance of gifts or gratuities of any kind beyond a nominal \$25.00 value, kickbacks or using any moneys received from or through the County for lobbying the State Legislature or any branch of State government.

Covered Persons:

The conflict of interest provisions of this Policy apply to any person who is an employee, agent, consultant, officer, elected official, or appointed official of Seminole County or any of its subrecipients (as defined in the previous paragraph) that receive HOME Program funds.

Conflicts Prohibited:

No person or persons described in the previous paragraph who exercise or have exercised any functions, duties, or responsibilities with respect to HOME-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain any financial interest or benefit from a HOME-assisted activity or project, or have any interest in any agreement, contract, or subcontract involving Seminole County's HOME Program or HOME funding, or any proceeds thereunder, either for themselves or those with whom they have family (including domestic partners) or business ties, during their tenure or for one year thereafter.

Covered Persons shall avoid apparent as well as actual conflicts of interest. If any Covered Person believes that he or she is faced with an actual or potential conflict, that person shall immediately report it to the Community Assistance Manager and provide a reasonably detailed memorandum of the facts and circumstances that the Covered Person believes may be an ethical conflict. In any circumstances where the Community Assistance Manager is in doubt as to any potential conflict, he or she will seek an opinion from the County Attorney's Office and if subsequently determined to be necessary, from the Florida Commission on Ethics. Such request for opinion shall be submitted through the Community Services Director. The Covered Person shall have no further involvement with functions, responsibilities and decision making processes

relative to the HOME program transaction(s) that gave rise to the question unless and until the requested legal opinion finds that no such conflict exists.

Exceptions:

Upon the written request of any of the persons described above, Seminole County will contact the U.S. Department of Housing & Urban Development (HUD) to seek an exception to the above paragraph. Such exceptions will be considered on a case-by-case basis when Seminole County, based upon HUD's approval, determines that the exception will serve to further the purposes of Seminole County's HOME Program and the effective and efficient administration and/or implementation of any particular HOME-assisted activity or project.

Before any request for an exception is submitted to HUD, the County must obtain an opinion from the Seminole County Attorney's Office that the interest for which the exception is requested would not violate State or local law. An exception will be requested from HUD only if the requestor has provided a full disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict, and a full description of how the public disclosure was made.

In seeking an exception from HUD, and before consulting its County Attorney's Office as described above, Seminole County will consider the cumulative effect of the following factors, as applicable:

- Whether the proposed exception would provide a significant cost benefit or a substantial or essential degree of expertise to the HOME Program, the activity, or the project which would otherwise not be available;
- Whether the person or persons affected is a member of a group or class of low income persons intended to be the beneficiaries of the HOME-assisted activity, and the exception will permit such person or persons to receive generally the same interests or benefits as is made available or provided to the group or class generally;
- Whether the affected person or persons have withdrawn from functions or responsibilities, or from the decision-making process with respect to the specific HOME-assisted activity or project, and any relevant agreements, contracts, or subcontracts, in question;
- Whether the interest or benefit was present before the affected person or persons were in a position as described above;
- Whether undue hardship will result either to Seminole County or the person or persons affected when weighed against the public interest served by avoiding the prohibited conflict; and
- Any other relevant considerations.

Owners, Sponsors, & Developers:

No owner, sponsor, or developer of a HOME-assisted project or activity (or any officer, employee, agent, or consultant of same), whether private, for-profit, or nonprofit (including any CHDOs, when acting in such capacity) may occupy any HOME-assisted housing unit. This provision does not apply to a person who receives HOME funds to acquire or rehabilitate his or her principal residence. No employee or agent of the owner, sponsor, or developer of a rental

housing project may occupy a HOME-assisted housing unit as the project manager or maintenance worker unless s/he is income-qualified under the HOME Program income requirement.

Upon the written request of a HOME-assisted owner, sponsor, or developer, Seminole County may, based upon HUD's approval, grant an exception to the provisions herein on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Program and the effective and efficient administration and/or implementation of the owner's, sponsor's, or developer's HOME-assisted project. In determining whether to grant a proposed exception, Seminole County will consider the following factors while making a request to HUD:

- Whether the person or persons receiving the benefit is a member of a group or class or low income persons intended to be the beneficiaries of the assisted housing, and the proposed exception will permit such person or persons to receive generally the same interests or benefits as are being made available or provided to the group or class in general;
- Whether the person or persons have withdrawn from his or her functions or responsibilities, or from the decision-making process with respect to the specific assisted housing in question;
- Whether the tenant protection requirements of 24 CFR 92.253 are being observed;
- Whether the County's Affirmative Marketing Procedures and Requirements are being observed and followed, if applicable; and
- Any other factor relevant to Seminole County's and HUD's determination, including the timing of the proposed exception.
- Owners, Sponsors and Developers shall be further bound by the provisions of Chapter 220, Seminole County Code (the "Purchasing Code") including particularly section 220.115 thereof, prohibiting the giving or acceptance of gifts or gratuities of any kind beyond a nominal \$25.00 value, kickbacks or using any moneys received from or through the County for lobbying the State Legislature or any branch of State government.





U.S. Department of Housing and Urban Development
Community Planning and Development

Special Attention of:

All Secretary's Representatives
All State/Area Coordinators
All CPD Office Directors
All HOME Coordinators
All HOME Participating Jurisdictions
All CDBG Grantees
All FHEO Field Directors

Notice: CPD-05-09

Issued: November 3, 2005

Expires: November 3, 2006

SUBJECT: Accessibility Notice: Section 504 of the Rehabilitation Act of 1973 and The Fair Housing Act and their applicability to housing programs funded by the HOME Investment Partnerships Program and the Community Development Block Grant Program

I. PURPOSE

The purpose of this Notice is to remind recipients of Federal funds for the HOME Investment Partnerships Program (HOME) or the Community Development Block Grant (CDBG) Program of their obligation to comply with Section 504 of the Rehabilitation Act of 1973, the Fair Housing Act, and HUD's implementing Regulations (24 CFR Parts 8 and 100, respectively), which prohibit discrimination based on disability and establish requirements for program accessibility and physical accessibility in connection with housing programs. This Notice describes key compliance elements for housing assisted under the HOME and CDBG programs. However, recipients should review the specific provisions of the Fair Housing Act, Section 504, and their respective regulations in order to assure that their programs are administered in full compliance. Note that with respect to Section 504, this Notice does not address the applicability of Section 504's physical accessibility requirements to homeownership programs financed with HOME/CDBG assistance.

The Notice also recommends that recipients conduct updated self evaluations as a useful tool for enhancing efforts to comply with accessibility requirements in HOME/CDBG programs, as well as to document those efforts.

Applicability

This Notice applies to new construction and rehabilitation of housing under the HOME and CDBG programs. Each primary recipient of Federal funds from the HOME or CDBG program is responsible for providing this notice to each organization or other entity participating in the construction or rehabilitation of projects receiving such funding and for establishing policies and practices that it will use to monitor compliance of all covered programs, activities, or work

performed by subrecipients, contractors, subcontractors, management agents, etc.

Distribution: W-3-1

II. SECTION 504 OF THE REHABILITATION ACT OF 1973

Background

The HOME and CDBG programs, through State and local governments, provide assistance that may be used for the construction or rehabilitation of affordable housing. HOME and CDBG funds may be used to construct or rehabilitate rental housing, to rehabilitate owner-occupied housing, and to finance homeownership programs.

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination against persons with disabilities in the operation of programs receiving Federal financial assistance. HUD regulations implementing Section 504 contain accessibility requirements for new construction and rehabilitation of housing as well as requirements for ensuring that the programs themselves are operated in a manner that is accessible to and usable by persons with disabilities (see 24 CFR Part 8).

For the purposes of this Notice, the references to multifamily housing projects covered by Section 504 only apply to multifamily rental housing projects.

The Section 504 regulations define "recipient" as any State or its political subdivision, any instrumentality of a state or its political subdivision, any public or private agency, institution, organization, or other entity, or any person to which Federal financial assistance is extended for any program or activity directly or through another recipient, including any successor, assignee, or transferee of a recipient, but excluding the ultimate beneficiary of the assistance (24 CFR 8.3). A family that will receive CDBG or HOME funds for the rehabilitation of an owner-occupied unit is not subject to the requirements of Part 8, since it is the ultimate beneficiary of the funds.

New construction

HUD regulations implementing Section 504 at 24 CFR 8.22(a) require that new construction of multifamily projects be designed and constructed to be readily accessible to and usable by persons with disabilities. Multifamily housing projects are defined at 24 CFR 8.3 as "projects containing five or more dwelling units." Both the individual units and the common areas in the building must be accessible.

For new construction of multifamily rental projects, a minimum of 5 percent of the dwelling units in the project (but not less than one unit) must be accessible to individuals with mobility impairments. An additional 2 percent of the dwelling units (but at a minimum, not less than one unit) must be accessible to individuals with sensory impairments (i.e., hearing or vision impairments) unless HUD prescribes a higher number pursuant to 24 CFR 8.22(c).

Rehabilitation

Substantial alterations - Section 504 requires that if alterations are undertaken to a housing project that has 15 or more units, and the rehabilitation costs will be 75 percent or more of the replacement cost of the completed facility, then such developments are considered to have undergone "substantial alterations" (24 CFR 8.23 (a)). For substantial alterations of multifamily

rental housing, the accessibility requirements contained in 24 CFR 8.22 must be followed -- a minimum of 5 percent of the dwelling units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent, at a minimum (but not less than one unit), must be accessible to individuals with sensory impairments.

Other alterations -- When other alterations that do not meet the regulatory definition of substantial alterations are undertaken in multifamily rental housing projects of any size, these alterations must, to the maximum extent feasible, make the dwelling units accessible to and usable by individuals with disabilities, until a minimum of 5 percent of the dwelling units (but not less than one unit) are accessible to people with mobility impairments, unless HUD prescribes a higher number pursuant to 24 CFR 8.23(b)(2). If alterations of single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, then the entire dwelling unit shall be made accessible. For this category of rehabilitation the additional 2 percent of the dwelling units requirement for individuals with sensory impairments does not apply. Alterations to common spaces must, to the maximum extent feasible, make those areas accessible. A recipient is not required to make a dwelling unit, common area, facility or element accessible, if doing so would impose undue financial and administrative burdens on the operation of the multifamily housing project (24 CFR 8.23(b)). Therefore, with regards to covered alterations, recipients are only required to provide access up to the point of being an undue financial and administrative burden.

Accessibility Standards

Dwelling units designed and constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) will be deemed to comply with the Section 504 regulation. For copies of UFAS, contact the HUD Distribution Center at 1-800-767-7468; hearing or speech-impaired persons may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8339. Accessible units must be, to the maximum extent feasible, distributed throughout the projects and sites, and must be available in a sufficient range of sizes and amenities so as not to limit choice.

III. FAIR HOUSING ACT

Background

The Fair Housing Act applies to most housing sold or rented in the United States. The Fair Housing Act prohibits discrimination in housing practices on the basis of race, color, religion, sex, and national origin. The Fair Housing Act was amended in 1988 to provide protections from discrimination in any aspect of the sale or rental of housing for families with children and persons with disabilities. The Fair Housing Act also establishes requirements for the design and construction of new rental or for sale multifamily housing to ensure a minimum level of accessibility for persons with disabilities (see 24 CFR 100.200 et seq.).

Section of the Fair Housing Act at 804(f)(3)(C) requires that covered multifamily dwelling units designed and constructed for initial occupancy after March 13, 1991, be designed and constructed in a manner that:

- (i) the public and common use portions of such dwellings are readily accessible to and usable by disabled persons;
- (ii) the doors are designed to allow passage into and within the premises of such dwelling units and are sufficiently wide to allow passage by disabled persons in wheelchairs; and
- (iii) all premises within such dwelling units contain the following features of adaptive design:
 - (I) an accessible route into and through the dwelling unit;
 - (II) light switches, electrical outlets, thermostats, and other environmental controls in accessible locations;
 - (III) reinforcements in bathroom walls to allow later installation of grab bars; and
 - (IV) usable kitchens and usable bathrooms such that an individual in a wheelchair can maneuver about the space.

Covered multifamily dwelling units are:

- dwelling units in buildings consisting of 4 or more units served by one or more elevators, or
- ground floor dwelling units in other buildings with 4 or more units.

Information about housing designs that provide accessible features in compliance with the Fair Housing Act can be found in the HUD's Fair Housing Accessibility Guidelines, which were published in the Federal Register on March 6, 1991 (56 F.R. 9472) and in HUD's Fair Housing Act Design Manual. These can be obtained from the HUD Distribution Center at 1-800-767-7468. Hearing-impaired or speech-impaired individuals also may access this number via TTY by calling the Federal Information Relay Service at 1-800-877-8339.

The design and construction requirements in the Fair Housing Act apply only to a building designed and constructed for initial occupancy after March 13, 1991. The Fair Housing Act regulations define a building for initial occupancy as a building that has never been used for any purpose. Thus, the design and construction requirements in the Fair Housing Act will not apply to rehabilitation projects or activities.

Illustrations

It must be noted that, in many cases, new construction of rental projects funded in the HOME/CDBG Programs must meet both the Fair Housing Act and the Section 504 new construction requirements. Where two or more accessibility standards apply, the housing provider is required to follow and apply both standards, so that maximum accessibility is obtained.

The following examples illustrate how these requirements will (or will not) apply.

- A rental building with an elevator constructed with HOME/CDBG funding would be required to have 5% of its dwelling units meet the Section 504 accessibility requirements at 24 CFR 8.22 and the remaining 95% of the dwelling units would be required to comply with the Fair Housing Act design and construction requirements at 24 CFR 100.205. Note: An additional 2% of the dwelling units are required to be accessible for people with vision and hearing impairments.

- A newly constructed 100 unit two-story garden apartment development with no elevator that received HOME/CDBG assistance, with half (50) of its dwelling units on the ground floor and half (50) on the second floor, would be required to have 5 of its ground floor dwelling units built to comply with the Section 504 accessibility requirements at 24 CFR 8.22, and the remaining 45 ground floor dwelling units built to comply with the Fair Housing Act design and construction requirements at 24 CFR 100.205. Note: An additional 2% of the dwelling units are required to be accessible for people with vision and hearing impairments in accordance with Section 504.
- A development consisting entirely of multistory rental townhouses constructed with Federal financial assistance is not a covered multifamily dwelling for purposes of the design and construction requirements of the Fair Housing Act at 24 CFR 100.205, since none of the dwelling units qualify as ground floor units, but the project would still have to meet the Section 504 5% + 2% accessibility requirements at 24 CFR 8.22. (A townhouse development of 5 or more single story dwelling units would still have to comply with both Section 504 and the Fair Housing Act design and construction requirements at 24 CFR 100.200 et. seq.)

IV. Increasing Program Accessibility

HUD's Section 504 regulations require that a recipient of Federal financial assistance ensure that its program, when viewed in its entirety, is accessible to persons with disabilities (24 CFR 8.20). In order to meet this obligation, participants in the HOME/CDBG program must:

- To the maximum extent feasible, distribute accessible units throughout the projects and make them available in a sufficient range of sizes and amenities so as not to limit choice.
- Adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with disabilities. They must also take reasonable nondiscriminatory steps to maximize use of such units by eligible individuals.
- When an accessible unit becomes vacant, before offering the unit to an individual without a disability, offer the unit: first, to a current occupant of the project requiring the accessibility feature and, second, to an eligible qualified applicant on the waiting list requiring the accessibility features.
- When an applicant or tenant requires an accessible feature or policy modification

to accommodate a disability, a federally assisted provider must provide such feature or policy modification unless doing so would result in a fundamental alternation in the nature of its program or an undue financial and administrative burden. See 24 CFR 8.4, 8.24, and 8.33 for further requirements and guidance.

- Providers are required to ensure that information about their programs is disseminated in a manner that is accessible to persons with disabilities. For example, special communication systems can greatly increase the effectiveness of outreach and ongoing communication (e.g., Telecommunications Devices for the Deaf (TTY), materials on tape or in Braille).
- Providers must ensure that activities and meetings are conducted in accessible locations.

Participants in the HOME/CDBG program may:

- Ask applicants for information that demonstrates they can meet the obligations of tenancy, including financial information, references, prior tenancy history, etc. However, housing providers may not inquire into the nature and severity of an applicant or tenant's disability, nor may they ask persons with disabilities questions not asked of all applicants, apply different types of screening criteria, or assess an applicant's ability to live independently.
- Ask if the applicant qualifies for a housing program or unit designed for persons with a disability when the housing program or unit is designed for such persons.
- Consider including a lease provision that requires a nondisabled family occupying an accessible unit to move if a family with a disability needing that size unit applies and there is an appropriately sized nonaccessible unit available for the relocating family.

V. Visitability

Visitability Concept

Although not a requirement, it is recommended that all design, construction and alterations incorporate, whenever practical, the concept of visitability in addition to the requirements under Section 504 and the Fair Housing Act.

Visitability is a design concept, which for very little or no additional cost, enables persons with disabilities to visit relatives, friends, and neighbors in their homes within a community.

Design Considerations

Visitability design incorporates the following in all construction or alterations, in addition to the applicable requirements of Section 504 and the Fair Housing Act, whenever practical and possible for as many units as possible within a development:

- Provide a 32" clear opening in all bathroom and interior doorways.
- Provide at least one accessible means of egress/ingress for each unit.

Benefits

Visitability also expands the availability of housing options for individuals who may not require full accessibility. It will assist project owners in making reasonable accommodations and reduce, in some cases, the need for structural modifications or transfers when individuals become disabled in place. Visitability will also improve the marketability of units. Further information regarding the concept of visitability may be obtained through the HUD web page (<http://www.huduser.org/publications/pubasst/strategies.html>).

VI. Self-Evaluation

The Section 504 regulations required recipients of Federal financial assistance to conduct a self-evaluation of their policies and practices to determine if they were consistent with the law's requirements. This self-evaluation was to have been completed no later than July 11, 1989. The regulatory deadlines are long past. Nonetheless, recipients who have not completed a self-evaluation are encouraged to conduct a self-evaluation to be in compliance with requirement under these regulatory provisions.

Involving persons with disabilities in the self-evaluation process is very beneficial. This will assure the most meaningful result for both the recipient and for persons with disabilities who participate in the recipients programs and activities. It is important to involve persons and/or organizations representing persons with disabilities, and agencies or other experts who work regularly with accessibility standards.

Important steps in conducting a self-evaluation and implementing its results include the following:

- Evaluate current policies and practices and analyze them to determine if they adversely affect the full participation of individuals with disabilities in its programs, activities and services. Be mindful of the fact that a policy or practice may appear neutral on its face, but may have a discriminatory effect on individuals with disabilities.
- Modify any policies and practices that are not or may not be in compliance with Section 504 regulations.
- Take appropriate corrective steps to remedy those policies and practices which either are discriminatory or have a discriminatory effect. Develop policies and procedures by which persons with disabilities may request a modification of a physical barrier or a rule or practice that has the effect of limiting or excluding a person with a disability from the benefits of the program.
- Document the self-evaluation process and activities. The Department recommends

	CPD	FHEO
Boston, MA	617 994-8357	617 994-8300
Hartford, CT	806 240-4800 x3059	860 240-4800
New York, NY	212 542-7401	212 264-1290
Buffalo, NY	716 551-5755 x5800	716 551-5755
Newark, NJ	973 622-7900 x3300	973 622-7900
Philadelphia, PA	215 656-0624 x3201	215 656-0663
Pittsburgh, PA	412 644-2999	412 644-6970
Baltimore, MD	410 962-2520 x3071	410 962-2520
Richmond, VA	804 771-2100 x3766	804 771-2100
Washington, DC	202 275-9200 x3163	202 275-9200
Atlanta, GA	404 331-5001 x2449	404 331-5140
Birmingham, AL	205 731-2630 x1027	205 731-2630
South Florida	305 536-5678 x2257	305 536-5678 x2218
Jacksonville, FL	904 232-1777 x2077	904 232-1241
San Juan, PR	787 766-5201	787 766-5400
Louisville, KY	502 582-6163 x200	502 582-6163 x230
Jackson, MS	601 965-4700 x3140	601 965-4700 x2435
Knoxville, TN	865 545-4391 x125	865 545-4400
Greensboro, NC	336 547-4000	336 547-4050
Columbia, SC	803 765-5564	803 765-5938
Chicago, IL	312 353-1696 x2713	312 353-7776
Minneapolis, MN	612 370-3019 x2107	612 370-3185
Detroit, MI	313 226-7900 x8059	313 226-7900
Milwaukee, WI	414 297-3214 x8100	414 297-3214
Columbus, OH	614 469-5737 x8240	614 469-5737 x8170
Indianapolis, IN	317 226-6303 x6790	317 226-6303
Little Rock, AK	501 324-6375 x3300	501 324-6296
Oklahoma City, OK	405 609-8569	405 609-8435
Kansas City, KS	913 551-5485	913 551-6958
Omaha, NE	402 492-3147	402 492-3109
St. Louis, MO	314 539-6524	314 539-6583
New Orleans, LA	504 589-7214 x1047	504 589-7219
Fort Worth, TX	817 978-5934	817 978-5900
San Antonio, TX	210 475-6821	210 475-6885
Albuquerque, NM	505 346-7361	505 346-6463
Denver, CO	303 672-5414 x1326	303 672-5437
San Francisco, CA	415 489-6597	415 489-6524
Los Angeles, CA	213 894-8000 x3300	213 894-8000 x2600
Honolulu, HI	808 522-8180 x264	808 522-8175
Phoenix, AZ	602 379-7175	602 379-6699 x5261
Seattle, WA	206 220-5268	206 220-5170
Portland, OR	503 326-7018	503 326-2561
Manchester, NH	603 666-7510 x3017	617 994-8300
Anchorage, AK	907 677-9890	907 677-9837
Houston, TX	817 978-5934	713 718-3199