



**CITY OF CAPE CORAL
NSP SUBSTANTIAL AMENDMENT
TO THE
ANNUAL ACTION PLAN
HUD PY 2008**

**COMMUNITY DEVELOPMENT BLOCK GRANT
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**City of Cape Coral
Department of Community Development
www.capecoral.net**

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Shirley Burns, Deputy Community Development Director
Mike Struve, AICP, Acting Planning and Growth Management Manager
James P. Lettiere, AICP, Development Management Team Coordinator
Amy L. Yearsley, AICP, CDBG/SHIP Team Coordinator
Samantha Crow, Planning Technician

**Submission Date: November 14, 2008
Public Comment Version 1 October 20, 2008
Public Comment Version 1.1 October 29, 2008
Public Comment Version 1.2 November 4, 2008
Final HUD Submittal Version 1.3 November 12, 2008**

THE NSP SUBSTANTIAL AMENDMENT

Jurisdiction(s): City of Cape Coral, Florida	NSP Contact Person: Amy L. Yearsley, AICP
Jurisdiction Web Address: <i>www.capecoral.net</i>	Address: PO Box 150027, Cape Coral, FL 33915-0027
	Telephone: 239-573-3182
	Fax: 239-574-0591
	Email: ayearsle@capecoral.net

A. AREAS OF GREATEST NEED

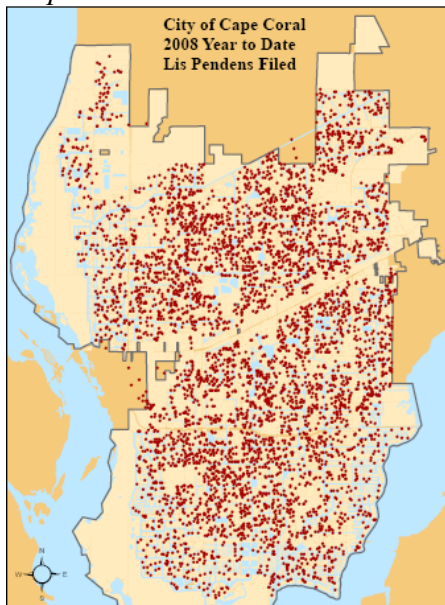
Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

Response:

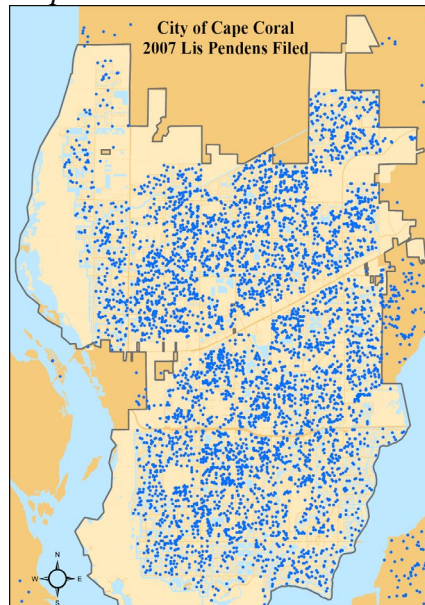
The City of Cape Coral as a whole is an area of great need for neighborhood stabilization through the redevelopment of abandoned and foreclosed homes. The State of Florida echoes these problems. Florida led the nation in 2007 for the percentage (16.5%) of risky Negative Amortization (NegAm) Loans. The City of Cape Coral as a whole has a foreclosure rate of 11.9%. The severity of this problem is illustrated in the GIS map series of "Cape Coral Lis Pendens" on the following pages. A foreclosure in Florida begins when a lender files court action and records a notice of a pending lawsuit (*Lis Pendens*) against the borrower.

COMMUNITY	LOCAL FORECLOSURE RATE	VACANCY RATE	HIGH COST LOAN RATE
<i>Cape Coral</i>	11.9%	4.1%	37.8%

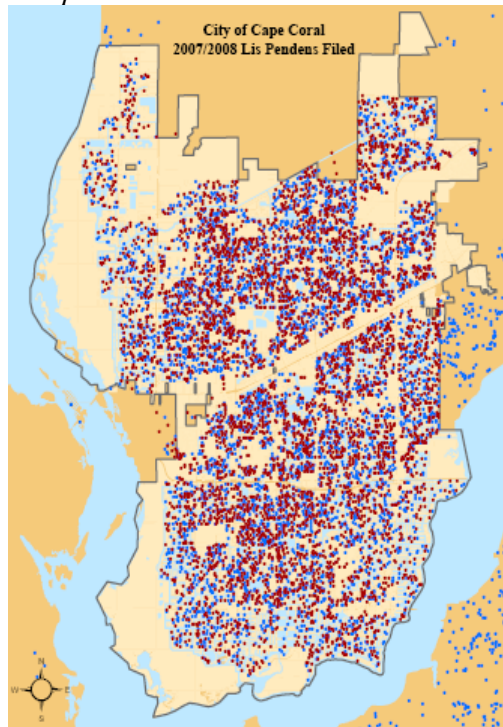
Map #1



Map #2



Map #3



Cape Coral began as a platted lands subdivision, consisting of more than 270,000 platted lots of which approximately 71,283 are currently developed. Most of these platted lots measure 40x125 feet or 5,000 square feet in area. Single family residential is the predominant land use with two lots required to build a dwelling unit. This presents a unique challenge in defining target areas. As illustrated in the previous Lis Pendens map series, there is only one specific area of the City that has not been impacted by the foreclosure crisis, the commercial corridor surrounding State Route 78 (Pine Island Road) which bisects the City. An additional challenge lies in the fact that there are no defined geographic areas of neighborhoods and no Community Development Block Grant (CDBG) target areas. To identify the areas of greatest need throughout the city, all city Census Block Groups were analyzed in terms of foreclosures, sub prime/high cost loan concentration, and projected foreclosure risk. Data was derived from a HUD-supplied database. Other criteria including price decline, unemployment rates, and vacancy rates were also reviewed for the city. Geographic Information System (GIS) technology was utilized to map and analyze the data (See Appendix A) to determine areas that had multiple high risk factors (i.e., combinations of high predicted foreclosure rates and high cost loan concentration or abandonment rates and reported vacancies). Seven (7) special areas of greatest need were identified from this data. HUD supplied data for the designated areas of greatest need are included in Appendix D.

B. DISTRIBUTION AND USES OF FUNDS

Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee

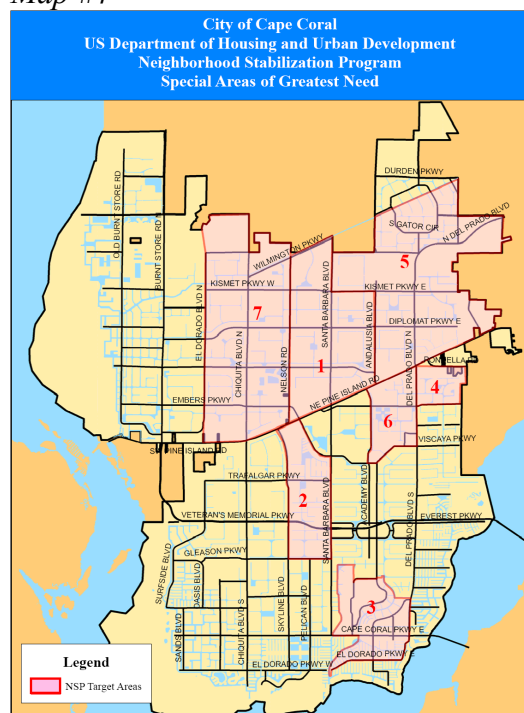
as likely to face a significant rise in the rate of home foreclosures. *Note:* The grantee's narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

Response:

Distribution to Special Areas of Greatest Need

The selected "Special Areas of Greatest Need" will be the emphasis of the geographically concentrated Cape Coral Neighborhood Stabilization Program. (See Map #4 Below). As demonstrated in Section "A", these areas have great need under the HUD criteria of foreclosure, subprime/high cost loans and projected foreclosures. Other potential projects outside the defined Special Areas of Greatest Need may be considered and (1) implemented (2) rejected, or (3) forwarded as substantial or non-substantial amendments upon direction of the HUD field office.

Map #4



Distribution to Very Low Income Beneficiaries.

Foreclosed single or multi-family housing will be acquired to provide affordable housing for this group. This will be the primary NSP investment for renters. Locations for households having 50% or less of Area Median Income, and particularly households with persons with special needs, may not coincide with the geographies prioritized by the NSP foreclosure and mortgage criteria. Funding will be directed to the greatest extent possible to the Special Areas of Greatest Need. However, some flexibility may be necessary given the targeting of funds to supportive/special needs housing. Often times, these target populations need to be located near support services and transit lines. Additionally, the current multi-family land use allocation in the City of Cape Coral is extremely limited (approximately 3% of the city's area) and may not coincide with the areas designated as Special Areas of Greatest Need. If potential projects are outside the defined Special Areas of Greatest Need they will be reviewed by staff and (1) implemented (2) rejected, or (3) forwarded as substantial or non-substantial amendments upon direction of the HUD field office.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

The City of Cape Coral does not have a codified definition of a “blighted structure.” For the purposes of the Neighborhood Stabilization Program, a structure is considered blighted when it displays “objectively determinable signs of deterioration” sufficient to constitute a threat to human health, safety and public welfare. This determination will be made in consultation with the City of Cape Coral Building Official and Code Compliance Manager.

(2) Definition of “affordable rents.”

Response:

The City of Cape Coral utilizes HUD published fair market rents as amended on a yearly basis for all rental programs funded with state and federal monies. Rental properties assisted with NSP funds will be required to comply with HUD Fair Market Rents.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

Rental properties shall have restrictive covenants filed with the deed that shall restrict the rent and use of the property for a defined term. For homebuyer assistance programs, liens shall be filed that mirror the affordability guidelines as defined by HOME affordability requirements (see table below).

ACTIVITY	AVERAGE PER-UNIT HOME	MINIMUM AFFORDABILITY PERIOD
Rehabilitation or Acquisition of Existing Housing	<\$15,000	5 years
	15,000- \$40,000	10 years
	>\$40,000	15 years
Refinance of Rehabilitation Project	Any dollar amount	15 years
New Construction or Acquisition of New Housing	Any dollar amount	20 years

In addition, annual verifications will be completed to ensure that the property remains as the primary residence of the homebuyer and rental projects will be monitored annually or otherwise as required.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

Appendix B contains the rehabilitation standards that will apply to all NSP, CDBG, and State Housing Initiative Partnership (SHIP) program funded activities. All deteriorated or substandard components will be addressed. The cost of improvements, in addition to those necessary to meet the Minimum Housing Quality Standards, will not exceed 50% of the assessed or appraised value of the structure prior to the improvements being made. All repairs and improvements will be designed to be permanent in nature.

D. LOW INCOME TARGETING

Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$59,900.

Note: At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Response:

The City of Cape Coral will be creating a supportive rental housing program that will target subpopulations at incomes that do not exceed fifty (50) percent of the area median income. The supportive rental housing program will be funded at twenty-five (25) percent of the City of Cape Coral's total allocation, ensuring that the very low and low income threshold established in the program rule is met. In addition, financing and acquisition rehabilitation programs will also include all incomes less than 120% the area median income.

Nineteen (19) units of housing for households in the very-low income category are proposed.

The total budget for the supportive rental housing program will be \$1,766,371.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.

Response:

At this time, the City of Cape Coral anticipates demolition of approximately seven (7) low- and moderate-income dwelling units (less than or equal to 80% AMI). The City of Cape Coral anticipates that approximately sixty-six (66) affordable housing units will be purchased and made available to low moderate- and middle-income households through the Acquisition / Rehabilitation / Financing / Resale strategies as detailed further in the document.

The proposed units are as follows:

Acquisition/Rehabilitation/Financing/Resale for Homeowners (Activity 2):

10 Units for Moderate Income Households (less than or equal to 80% AMI).
30 Units for Middle Income Households (less than or equal to 120% AMI)
Timeline is February, 2009 through July 2013

Acquisition/Rehabilitation/Financing/Resale for Single or Multi-Family Housing/Renters
(Activity 3):

19 Units for Low Income Households (less than or equal to 50% AMI)
Timeline is April, 2009 through July 2013

Demolition/Redevelopment (Activity 5)

7 Units for Middle Income Households (less than or equal to 120% AMI)
Timeline is May, 2009 through April 2013

General Strategy:

As part of the Neighborhood Stabilization Program, properties that are vacant and abandoned or foreclosed will be purchased to stabilize neighborhoods. The City of Cape Coral and partner agencies will purchase homes and rehabilitate the homes to sell to income eligible homebuyers. The City will also purchase properties that are beyond rehabilitation for demolition and clearance to alleviate health and safety concerns. It is expected that properties will be located to the greatest extent in areas of greatest need as described previously. Attempts will be made to identify projects in close proximity to maximize impact on neighborhoods.

To implement this program, the Department of Community Development will work with the City's Real Estate Division. The Department of Community Development and the Real Estate Division, will locate appropriate properties, determine necessary repairs and estimate of costs, negotiate with the owner for a purchase at fifteen (15) percent below market and assist in the preparation of the acquisition paperwork. The City also intends to partner with local non profits and contract with parties who have experience in acquisition and rehabilitation. As a final strategy, the City's partner agencies will also work with homebuyers who have identified their own properties and are working with parties to buy foreclosed or abandoned homes. The partner agencies will work with these homebuyers to facilitate their purchase, and grant homebuyers down payment and/or rehabilitation assistance.

For all properties in this program, the City will ensure that appropriate environmental inspections are completed prior to purchase or closing. All homebuyers will have incomes at or below 120% of AMI and will be located through a marketing campaign, which may include, but not be limited to, newspaper or television ads, local non profit campaigns, notices on the websites, etc. A centralized waiting list will be created as needed. Priorities will be given to the elderly, (over 60 years), families with a member that has a disability, victims of domestic violence and renters in danger of being homeless, due to the foreclosure of their rental unit. Secondary priority shall be given to veterans and single parents with children. Applications shall be processed by the City of Cape Coral or its contracted agent(s). The City is aware that mortgages are difficult to obtain, and many homebuyers will have damaged credit. Cape Coral will work with local counselors to assist homebuyers with credit repair and homebuyer counseling. The City also intends to work with Lee County and local banks to develop programs and is developing a strategy for direct mortgage assistance and a lease to purchase program.

The City, or its agents, shall work with local contractors with the appropriate licenses and insurance. Rehabilitation specifications shall be developed for each property. Bids shall be awarded through a competitive bid process and will be awarded to the lowest responsible bid.

The City reserves the right to designate a bid as non responsible due to capacity or performance issues. Rehabilitation coordinator(s) shall inspect the properties and ensure that work is being completed and appropriate permits and inspections have occurred. When purchasers are identified prior to rehabilitation, homebuyers will have input into the specification development for items such as color selections. All homes will be sold for the lesser of the cost of acquisition and rehabilitation or appraised value. A financial strategy is under development to ensure affordability and documents shall be required to ensure continued affordability.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

A fifteen day public comment period commenced October 27, 2008. The availability of the NSP Substantial Amendment was published October 27, 2008 in the Cape Coral Daily Breeze.



CITY OF CAPE CORAL, FLORIDA
NOTICE OF AVAILABILITY

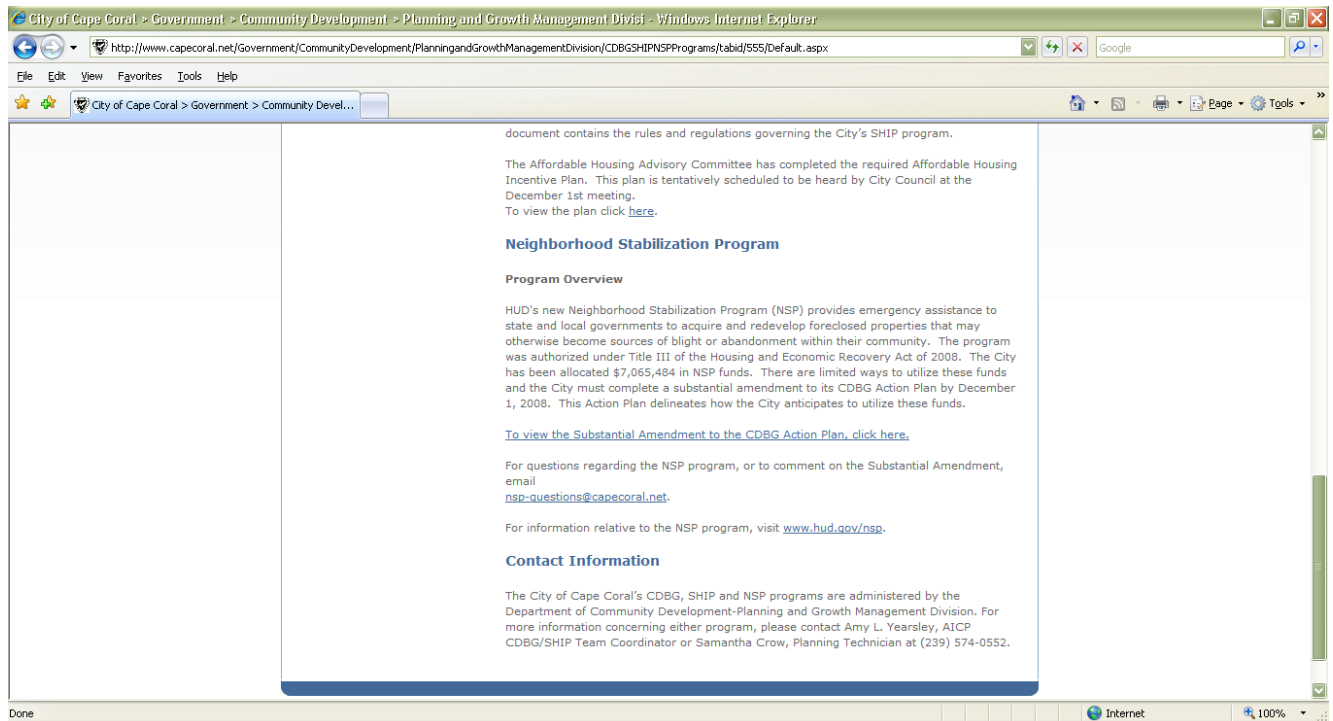
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

The City of Cape Coral will be receiving \$7,065,484 in supplementary funding for eligible activities under the Community Development Block Grant (CDBG) program as modified by the Housing and Economic Recovery Act of 2008 and Neighborhood Stabilization Program (NSP) regulations. This funding requires a substantial amendment to the City of Cape Coral 2008 CDBG Action Plan which is available for citizen review and comment for a period of fifteen (15) days. This document provides strategies for implementation of the NSP program. The document can be viewed at the City of Cape Coral Clerks Office, Department of Community Development, Planning and Growth Management Division located at 1015 Cultural Park Boulevard, Cape Coral, FL 33990 and on the City web site www.capecoral.net. All comments will be submitted to HUD with the submittal of the substantial amendment.

All comments should be put in writing and provided to:

City of Cape Coral
Department of Community Development
Planning and Growth Management Division
Amy L. Yearsley, AICP, CDBG/SHIP Team Coordinator
PO Box 150027
Cape Coral, FL 33915-0027
Phone: (239)573-3182
E-mail: Ayearsle@capecoral.net

Additionally, the document was placed on the City of Cape Coral website. www.capecoral.net



There was one item of correspondence received in support of the plan who believed the bulk of the funds should be placed in financing mechanisms. There was one speaker at the public hearing who spoke in support of the plan and indicated a desire to partner with the City in the implementation.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

ACTIVITY 1: FINANCING MECHANISMS

Financing Mechanism activities that conform to NSP use “A” will be incorporated in Cape Coral Activities:

See:

ACTIVITY 2-Acquisition/Rehabilitation/Financing/Resale- Homeowner

ACTIVITY 3 -Acquisition/Rehabilitation/Financing/Resale- Multifamily Housing/Rental

ACTIVITY 5- Demolition/Redevelopment

Financing activities will include primary mortgages, principle buy-downs, and limited down payment assistance in accordance with CDBG regulations. Interest rates will graduate from zero (0) to six (6) percent to make mortgages affordable. Down payment assistance will be a zero (0) percent deferred loan that amortizes during the affordability period.

Total Budget: \$1,000,000

ACTIVITY 2: ACQUISITION/REHABILITATION/FINANCING/RESALE-HOMEOWNERSHIP

Activity Type:

NSP Eligible Use	CDBG Activity
A. Financing for foreclosed homes and residential properties 24CFR570.206-	24CFR570.201(a)-Acquisition, (b)Disposition, (i)Relocation, (n)Direct homeownership

Delivery Cost and Financing Mechanisms for eligible activities B. Purchase/Rehab abandoned/foreclosed residential property	assistance 24CFR570.202-Rehabilitation, preservation, counseling C. Land Banks for foreclosed homes 24CFR570.201(a)-Acquisition, (b)Disposition,
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National Objective:

National objective benefiting low,-moderate and -middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income. All homes will be sold to households with incomes at or below 120% of AMI. It is expected that a limited number of homes will be sold to households with income at or below 50% of AMI.

Projected Start Date:

February 1, 2009

Projected End Date:

July 13, 2013

Responsible Organization:

City of Cape Coral

Department of Community Development -Planning and Growth Management Division

PO Box 150027

Cape Coral, Florida 33915-0027

Administrator contact: Amy Yearsley, AICP, CDBG/SHIP Team Coordinator

Location Description:

Homes will be purchased and resold within City of Cape Coral jurisdictional boundaries with special focus on areas described on page 4.

Activity Description:

This activity is to provide homeownership for persons/families at or below 120% of AMI. It is expected very few homes will be sold to households with income at or below 50% of AMI. This strategy includes activities of acquisition, rehabilitation, resale, financing tools, including first and second mortgages, down payment assistance and lease to purchase program. FHA and government foreclosed homes will be considered along with other NSP-eligible properties. City of Cape Coral contract with local HUD approved counseling agencies to provide the required homebuyer counseling. By purchasing and rehabilitating homes, neighborhoods will be stabilized and low to middle income families will obtain homeownership. It will also bring homes back to move in condition and put homes back on the tax rolls.

The City of Cape Coral and local partner agencies will purchase properties and rehabilitate homes. The City will publish a Request for Proposals for partner agencies and anticipates entering into partnership agreements by January 15, 2008. The City of Cape Coral and partner agencies will solicit a prequalified contractor pool to complete the rehabilitation activities. The City of Cape Coral and partner agencies will use only licensed and insured contractors. All homes rehabilitated by City or its representatives will be sold with warranties to facilitate affordability for the buyers. The City and its agencies will also work with homebuyers that seek to locate foreclosed homes near their support services, and will assist homebuyers that meet all

the requirements of the program with down payment assistance and rehabilitation assistance if needed.

If homes are not sold in a reasonable timeframe, the City of Cape Coral reserves the right to convert acquired homes to rental or to lease to purchase programs.

Tenure shall be homeownership. Notes and mortgages shall be recorded for up to 30 years based on amount and type of assistance. Affordability shall meet or exceed HOME requirements. Payments will be structured so that the PITI does not exceed 33% of a household's gross income as determined by HUD definitions of income limits and qualified income. Post purchase counseling will also be available through 2013. Warranties will be purchased for each home sold through this program. Properties will be acquired at least fifteen (15) percent below market value. Interest rates will graduate from zero (0) to six (6) percent to make mortgages affordable. Down payment assistance will be a zero (0) percent deferred loan that amortizes during the affordability period.

Total Budget:

\$3,757,803. Private mortgages approximately \$1,000,000.

Performance Measures:

It is anticipated that Cape Coral and its partner agencies will purchase and rehabilitate forty (40) homes. Of these homes, ten (10) will be for persons at or below 80% and the remainder will be at or below 120%. It is expected that few homes will be sold to households with income at or below 50% of AMI.

ACTIVITY 3 ACQUISITION/REHABILITATION/FINANCING/RESALE MULTIFAMILY HOUSING/RENTAL

Activity Name:

Acquisition/Rehabilitation/Financing/Resale- Multifamily Housing/Rental

Activity Type:

NSP Eligible Use A. Financing for foreclosed homes and residential properties B. Purchase/Rehab abandoned/foreclosed residential property C. Land Banks for foreclosed homes	CDBG Activity 24CFR570.206-Delivery Cost and Financing Mechanisms for eligible activities 24CFR570.201(a)-Acquisition, (b)Disposition, (i)Relocation, (n)Direct homeownership assistance 24CFR570.202-Rehabilitation, preservation, Counseling 24CFR570.201(a)-Acquisition, (b)Disposition
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National Objective:

National objective benefiting low, -moderate and -middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income. Beneficiaries will be primarily renter households with incomes at or below 50% of AMI

Projected Start Date:

April 1, 2009

Projected End Date:
July 31, 2013

Responsible Organization:
City of Cape Coral
Department of Community Development- Planning and Growth Management Division
PO Box 150027
Cape Coral, Florida 33915-0027

Administrator contact: Amy Yearsley, AICP, CDBG/SHIP Team Coordinator

Location Description:

Rental units will be located in the Special Areas of Greatest Need as described on page 4 of Section, in close proximity to non-profit agencies providing supportive housing services and transit routes. If necessary, to mount effective supportive housing projects outside of these geographic priorities, proposed locations will be reviewed and (1) implemented (2) rejected, or (3) forwarded as a substantial or non-substantial amendments to the HUD field office.

Activity Description:

This activity will primarily in the Special Areas of Greatest Need or amended exceptions as denoted on pages 4 and 5. This activity is primarily to provide housing units for households at or below 50% of AMI.

With Fair Market Rent (FMR) for a three (3) bedroom at \$1,337, many residents cannot afford to live in units that are safe and sanitary. This is particularly true for residents with special needs. This activity will include purchasing and rehabilitating properties to be used as rental units for persons at or below 50% of AMI. The City of Cape Coral has experience partnering with local non profit housing providers and anticipates issuing a Request for Proposals with a priority for rental to persons with disabilities or special needs to implement this project. The City of Cape Coral will work with local service providers to maintain the properties.

Upon completion of the rehabilitation, the properties will be transferred to local nonprofit agencies. All properties shall have security instruments ensuring that property will be used as awarded and for a predetermined time established at the time of contract award by amount of assistance provided. It is anticipated that supported housing projects shall be restricted for a minimum of 20 years. Properties will be acquired for at least 15% below market value. Properties will be transferred to owners' debt free.

I. Total Budget:
\$1,766,371

J. Performance Measures:

Nineteen (19) of these units will be occupied by person with incomes that do not exceed 50% of AMI. Additional rental units may be achieved for households at 51-80 percent, and 81-120 percent AMI if some of the forty (40) units currently projected for sale to homeowners under Activity G2 are not sold and are turned over to property management entities for rental occupancy.

ACTIVITY 4 -LAND BANKS

Land Bank activities that conform to NSP use “C” may be incorporated in City of Cape Coral activities:

See:

Activity 2 - Acquisition/Rehabilitation/Financing/Resale- Homeowner

Activity 3 - Acquisition/Rehabilitation/Financing/Resale- Multifamily Housing/Rental and

Activity 5 - Demolition/Redevelopment

ACTIVITY 5 – DEMOLITION/REDEVELOPMENT

Activity Name: Demolition/Redevelopment

Activity Type:

NSP Eligible Use A. Financing for foreclosed homes and residential properties B. Purchase/Rehab abandoned/foreclosed residential property C. Land Banks for foreclosed homes D. Demolish blighted Structures E. Redevelop demolished/vacant properties	CDBG Activity 24CFR570.201(a)-Acquisition, (b)Disposition, (i)Relocation, (n)Direct homeownership assistance 24CFR570.202-Rehabilitation, preservation, counseling 24CFR570.201(a)-Acquisition, (b)Disposition, 24CFR570.201(d)-Clearance for blighted Structures 24CFR570.201(a)-Acquisition, (b)Disposition, (c) Public Facilities/Improvements (e)Housing Counseling for prospective tenants/purchasers (i)Relocation, (n)Direct homeownership assistance
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National Objective:

National objective benefiting low, -moderate and -middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income). It is expected that few homes will be sold to households with income at or below 50% of AMI.

Projected Start Date:

May 1, 2009

Projected End Date:

April 31, 2013

Responsible Organization:

City of Cape Coral

Department of Community Development- Planning and Growth Management Division

PO Box 150027

Cape Coral, Florida 33915-0027

Administrator contact: Amy Yearsley, AICP, CDBG/SHIP Team Coordinator

Location Description:

Homes will be purchased and resold in Cape Coral primarily in the Special Areas of Greatest Need as described on page 5 of Section A and Appendix II. Any exceptions will be processed as noted on that page.

Activity Description:

This activity will occur primarily in the Special Areas of Greatest Need or amended exceptions as denoted on page 4 and 5. This activity is to provide homeownership for persons/families at or below 120% of AMI. It is expected that few homes will be sold to households with income at or below 50% of AMI. The activity will involve demolition and clearance of blighted structures and redevelopment of vacant land. Land will be banked for up to ten (10) years and transferred to local non profits to build housing for persons at or below 120% of AMI. Some land may be donated to the City of Cape Coral Parks and Recreation Department for neighborhood recreation opportunities in areas that meet the Low/Middle Income Area Benefit Test.

The predominant use of these properties will be for homeownership. Where opportunities arise some rental units may be developed for occupants at or below 50% AMI or for occupants at or below 120% AMI. Assistance will be of short duration, but property will be retained for up to ten (10) years. This activity will ensure continued affordability because the property costs will be minimized for development when property values start to rise. This activity is more for improvement and stabilization. Properties will be acquired for at least 15% below market value. Interest rates will graduate from zero (0) to six percent (6%) to make mortgages affordable. Down payment assistance will be a zero percent (0%) deferred loan that amortizes during the affordability period.

Total Budget:
\$141,310

Performance Measures:

It is estimated that 7 units will be demolished
7 Units for Middle Income Households (81-120 percent) are projected.

ACTIVITY 6 – REDEVELOPMENT

Activity Name: Redevelopment

Redevelopment activities that conform to NSP use “E” will be incorporated in Cape Coral Activities:

Activity 2-Acquisition/Rehabilitation/Financing/Resale- Homeowner

Activity 3 -Acquisition/Rehabilitation/Financing/Resale- Multifamily Housing/Rental and

Activity 5 - Demolition/Redevelopment

ACTIVITY 7 – ADMINISTRATION AND PLANNING

Activity Name: Administration and Planning

Activity Type:

NSP Eligible Use Up to 10 percent of an NSP grant provided to a jurisdiction and of up to 10 percent of program income earned may be used for	CDBG Activity 24CFR570.206(a)(1)-Planning and Administration
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general administration and planning activities (NSP Notice)	
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National Objective:

Administration for national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income –Not Applicable.

Projected Start Date:

January 15, 2009

Projected End Date:

July 15, 2013

Responsible Organization:

City of Cape Coral

Department of Community Development- Planning and Growth Management Division

PO Box 150027

Cape Coral, Florida 33915-0027

Administrator contact: Amy Yearsley, AICP, CDBG/SHIP Team Coordinator

Location Description:

Administration will occur at 1015 Cultural Park Boulevard, Cape Coral, Florida 33990

Activity Description:

These funds will be used to provide administrative activities including, but not limited to: personnel to carry out contract management functions.

Total Budget: (Include public and private components) \$400,000

Performance Measures: Not Applicable- beneficiaries are described in other activities

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AML.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to

properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): City of Cape Coral, Florida	NSP Contact Person: Amy L. Yearsley, AICP
Jurisdiction Web Address: <i>www.capecoral.net</i>	Address: PO Box 150027, Cape Coral, FL 33915-0027
	Telephone: 239-573-3182
	Fax: 239-574-0591
	Email: ayearsle@capecoral.net

The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction?

Yes ☒ No ☐ Verification found on page 2-4.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes ☒ No ☐ Verification found on page 2-4.

Note: The grantee's narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of "blighted structure" in the context of state or local law,
Yes ☒ No ☐ Verification found on page 5.
- a definition of "affordable rents,"
Yes ☒ No ☐ Verification found on page 5.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes ☒ No ☐ Verification found on page 5.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?
Yes ☒ No ☐. Verification found on page _5 and appendix__.

D. INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes ☒ No ☐. Verification found on page _9-15__.
- correlated eligible activity under CDBG,
Yes ☒ No ☐. Verification found on page __9-15__.
- the areas of greatest need addressed by the activity or activities,
Yes ☒ No ☐. Verification found on page __9-15__.
- expected benefit to income-qualified persons or households or areas,
Yes ☒ No ☐. Verification found on page _9-15__.
- appropriate performance measures for the activity,
Yes ☒ No ☐. Verification found on page __9-15__.
- amount of funds budgeted for the activity,
Yes ☒ No ☐. Verification found on page __9-15__.
- the name, location and contact information for the entity that will carry out the activity,
Yes ☒ No ☐. Verification found on page __9-15__.
- expected start and end dates of the activity?
Yes ☒ No ☐. Verification found on page _9-15__.

E. SPECIFIC ACTIVITY REQUIREMENTS

Does each activity narrative describe the general terms under which assistance will be provided, including:

If the activity includes acquisition of real property,

- the discount required for acquisition of foreclosed upon properties,
Yes ☒ No ☐. Verification found on page __9-15__.

If the activity provides financing,

- the range of interest rates (if any),
Yes ☒ No ☐. Verification found on page __9-15__.

If the activity provides housing,

- duration or term of assistance,
Yes ☒ No ☐. Verification found on page _9-15__.
- tenure of beneficiaries (e.g., rental or homeownership),

Yes ☒ No ☐ Verification found on page 9-15.

- does it ensure continued affordability?
Yes ☒ No ☐ Verification found on page 9-15.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
- Yes ☒ No ☐ Verification found on page 12.

F. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐ Verification found on page 6.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes ☒ No ☐ Verification found on page 6.
Amount budgeted = \$ \$1,766,384.

G. DEMOLISHMENT OR CONVERSION OF LOW- AND MODERATE-INCOME UNITS

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes ☒ No ☐ (If no, continue to next heading)
Verification found on page 6-7.

Does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes ☐ No ☐ Verification found on page 6-7.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes ☐ No ☐ Verification found on page 6-7.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
Yes ☐ No ☐ Verification found on page 6-7.

H. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?

Yes ☒ No ☐ Verification found on page _8-9_.

Is there a summary of citizen comments included in the final amendment?

Yes ☐ No ☐ Verification found on page __9__.

I. WEBSITE PUBLICATION

The following Documents are available on the grantee's website:

- | | | |
|--------------------------------------|---|-------------------------------|
| • SF 424 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> . |
| • Proposed NSP Substantial Amendment | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> . |
| • Final NSP Substantial Amendment | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> . |
| • Subsequent NSP Amendments | Yes <input type="checkbox"/> | No <input type="checkbox"/> . |

Website URL: www.capecoral.net

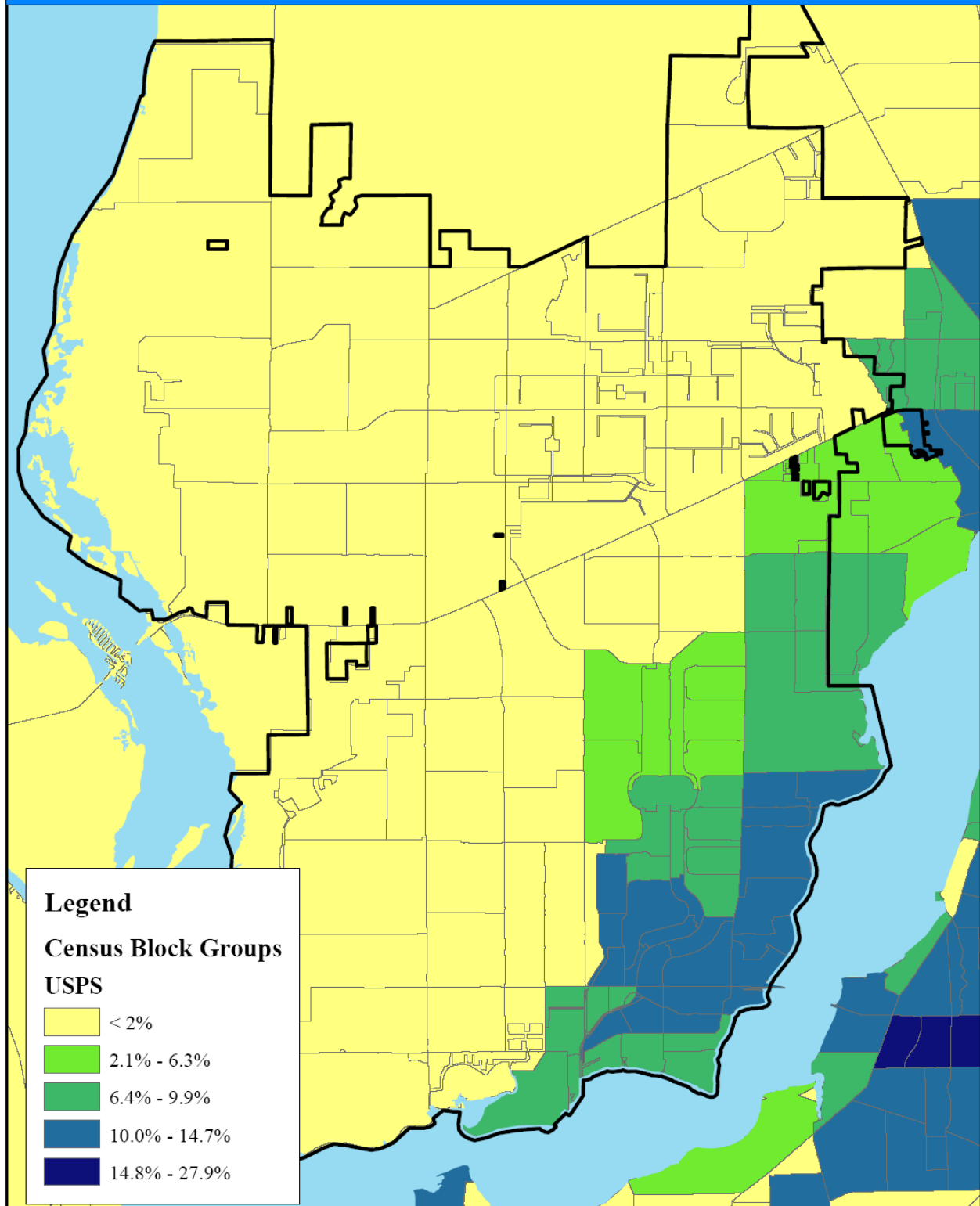
K. CERTIFICATIONS

The following certifications are complete and accurate:

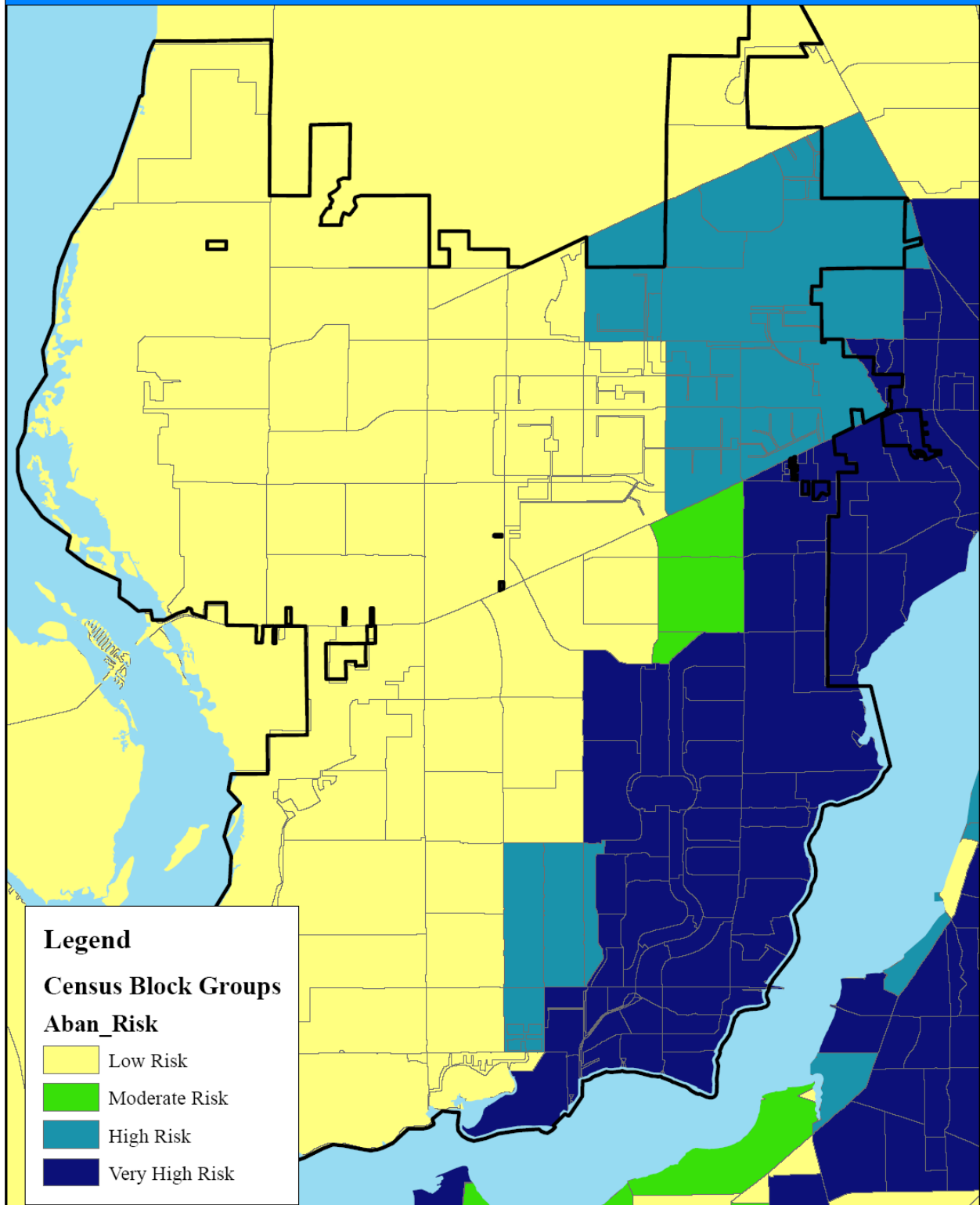
- | | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds \leq 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

Appendix A

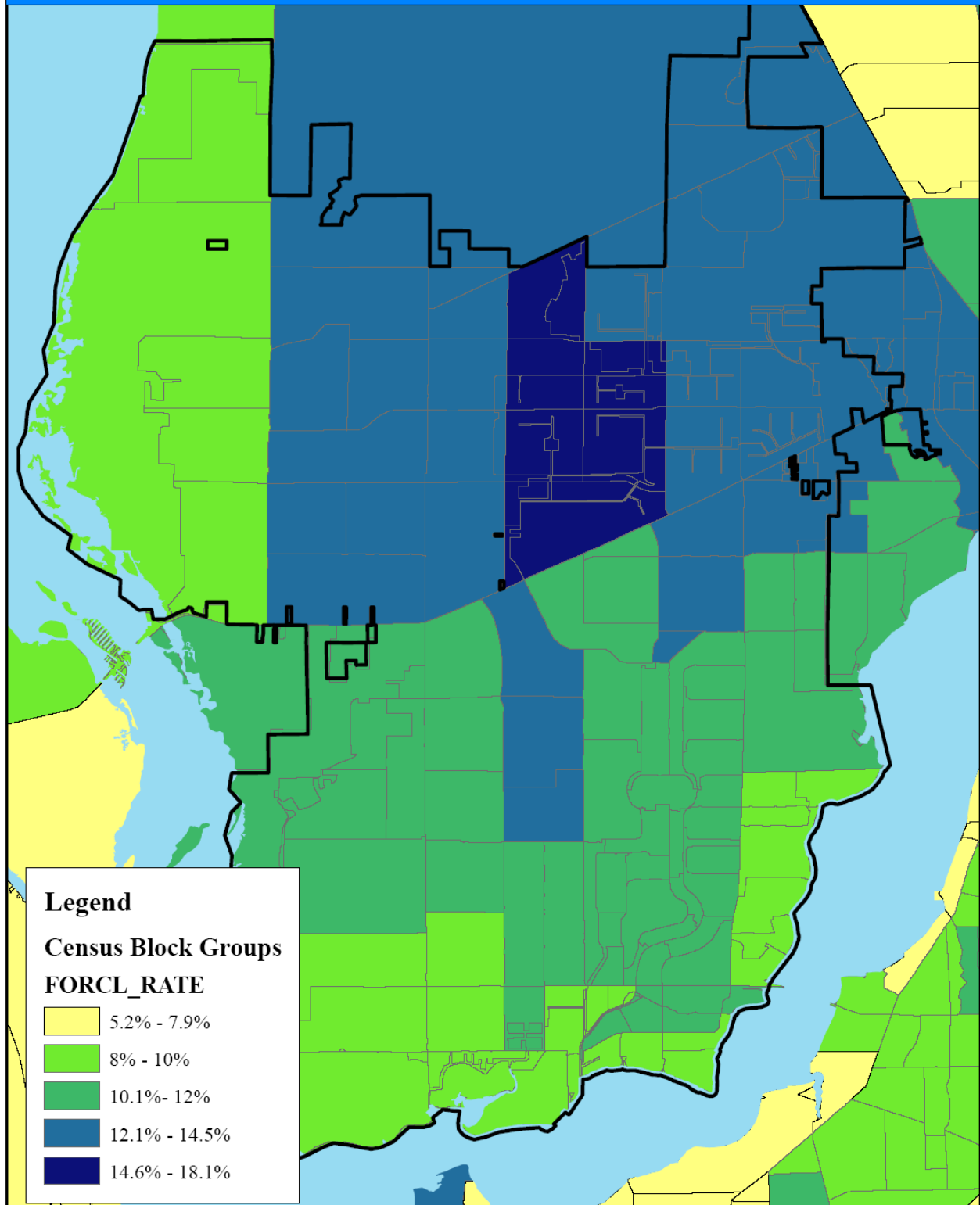
City of Cape Coral
United States Postal Service (USPS)
Residential Vacancy >90 Days



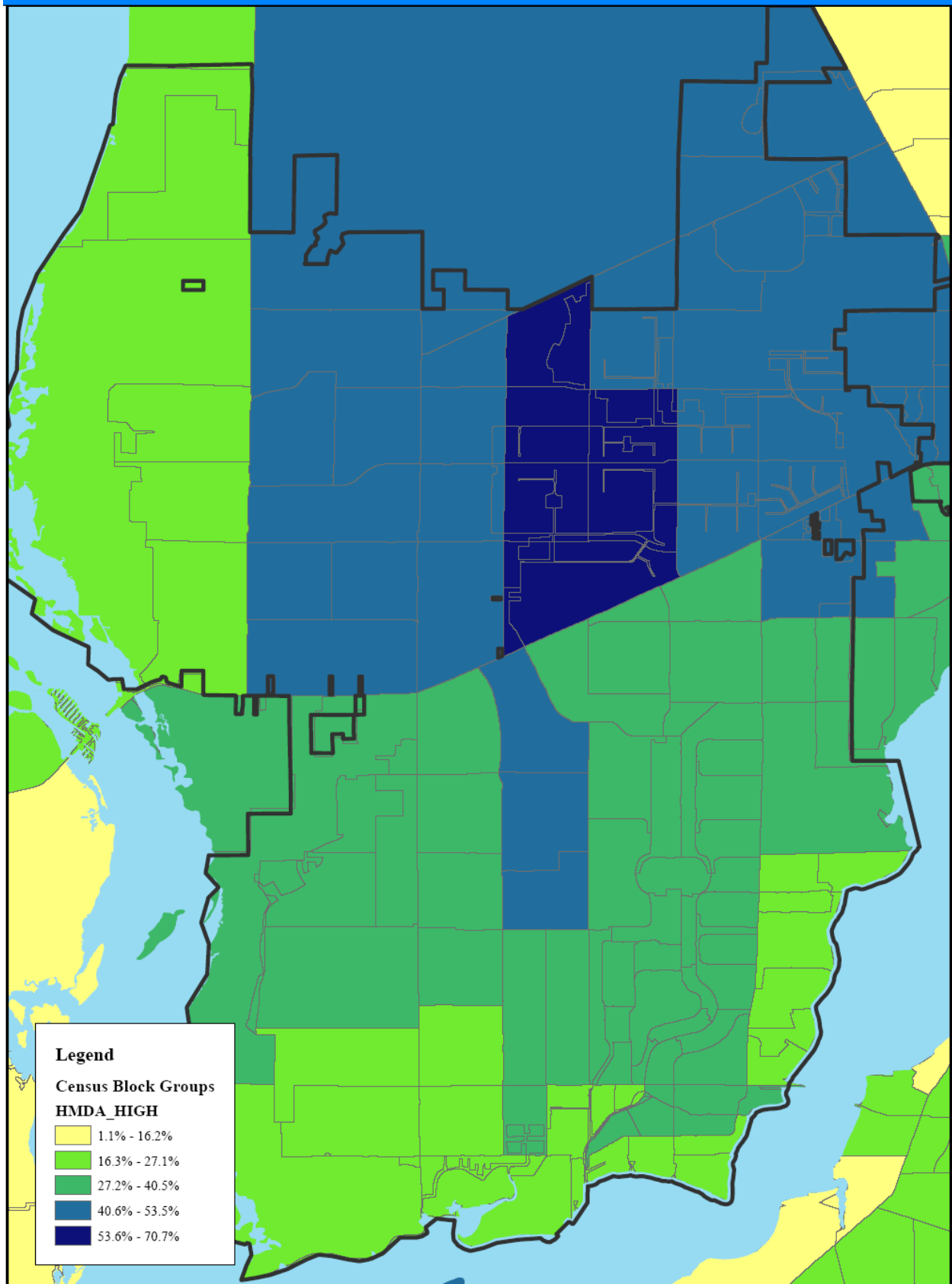
City of Cape Coral
US Department of Housing and Urban Development
Estimated Foreclosure Abandonment Risk



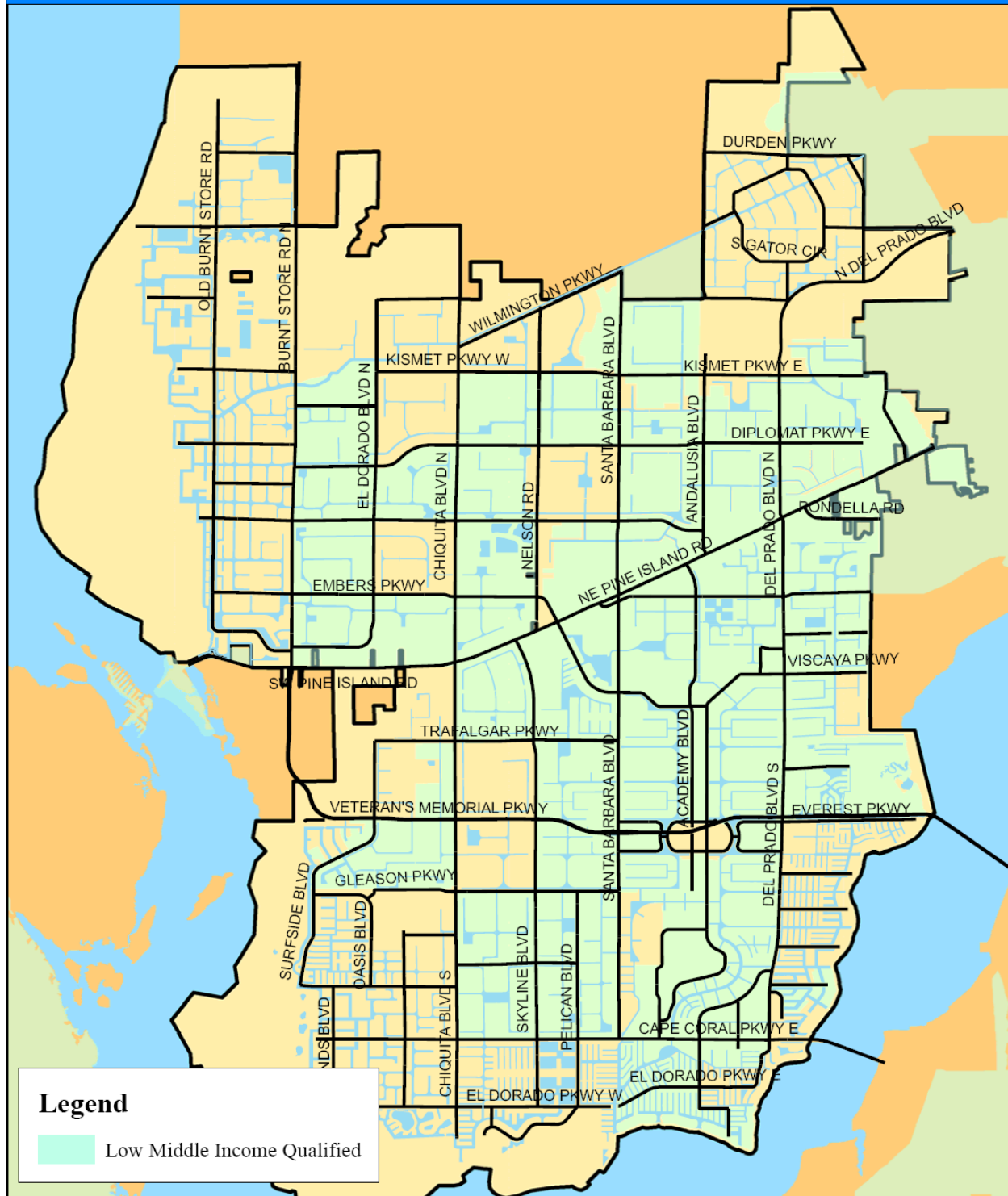
**City of Cape Coral
Predicted 18 Month
Foreclosure Rate**



City of Cape Coral Home Mortgage Disclosure Act (HMDA) High Cost Loans

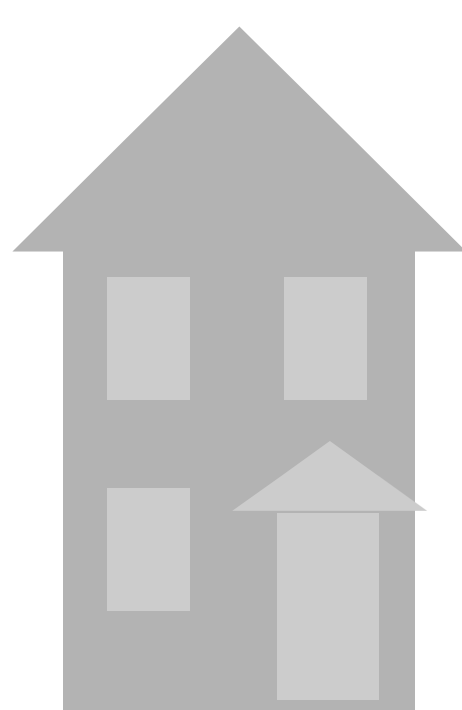
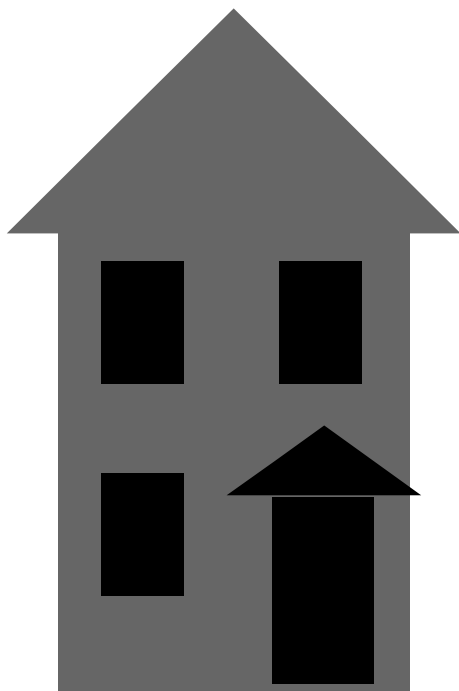
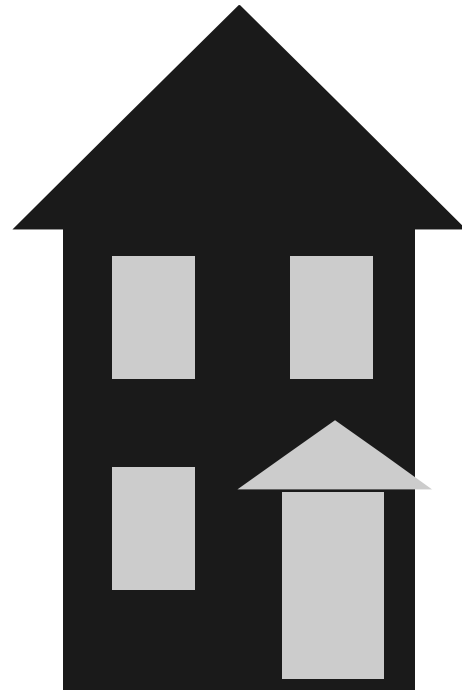
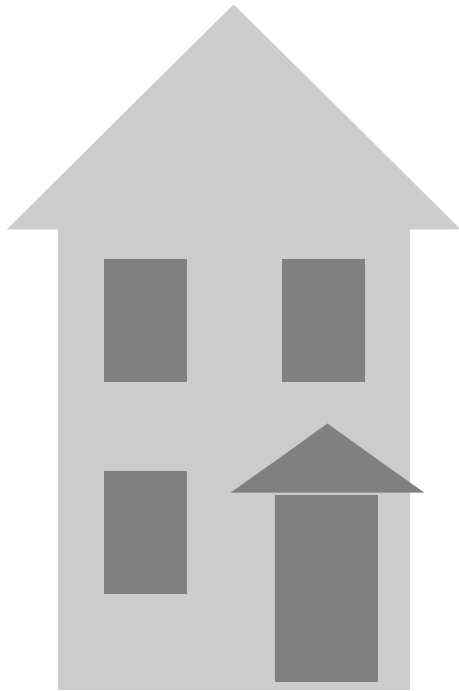


City of Cape Coral
US Department of Housing and Urban Development
Low Middle Income Qualified Block Groups



Appendix B

MINIMUM HOUSING REHABILITATION STANDARDS



Minimum Housing Rehabilitation Standards

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I. Preface

This document is intended to provide the minimum acceptable standards for existing single household dwelling units rehabilitated utilizing state or federal funding. These standards are not intended to reduce or exclude the requirements of any local or state building or housing codes, standards, or ordinances that may apply.

The Minimum Housing Rehabilitation Standards were originally designed to include and to expand on the requirements of the HUD Section 8 Housing Quality Standards (CDBG Program) and the Minimum Property Standards (HOME Program). Many of the requirements and standards of this document exceed the requirements of the HUD Section 8 Housing Quality Standards and/or the Minimum Property Standards, but were determined necessary to further define the intent or outcome of these standards and to expand on the common definitions of “safe, decent, and sanitary” housing; “non-luxury, suitable amenities” housing; and “good quality, reasonably priced” housing, that is affordable to persons that are low or low and moderate income.

“Sustainable design” principles have been incorporated, intended to minimize negative environmental impacts and to promote the health and comfort of the occupants of housing rehabilitated to these standards. Included herein are measures to reduce consumption of non-renewable resources, minimize waste, and to create healthy productive environments. Standard measures have been incorporated herein relating to energy conservation, energy efficiency, water conservation, and indoor air quality.

Whenever possible and practical, specify materials or products that are made from recycled materials (such as fly ash concrete, carpeting or flooring made from recycled materials, etc.) or specify materials and products produced from rapidly renewable materials (such as cork or bamboo). To the extent possible and practical, avoid using products from non-renewable resources (such as vinyl siding, windows and flooring; asphalt roofing materials; etc.). Consideration should be given to having energy audits conducted on all properties to be rehabilitated prior to generating the project specifications (encouraged, not required).

These standards assume that a knowledgeable inspector will thoroughly inspect each dwelling to verify the presence and condition of all components, systems and equipment of the dwelling. All components, systems and equipment of a dwelling referenced in this document shall be in good working order and condition and be capable of being used for the purpose in which they were intended and/or designed. Components, systems and/or equipment that are not in good working order and condition shall be repaired or replaced. When it is necessary to replace items (systems, components or equipment), the replacement items must conform to these standards. These standards also assume that the inspector will take into account any extraordinary circumstances of the occupants of the dwelling (e.g., physical disabilities) and reflect a means to address such circumstances in their inspection and in the preparation of a work write-up/project specifications for that dwelling.

All interior ceilings, walls and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing components or other serious damage. The roof must be structurally sound and weather-resistant. All exterior walls (including foundation walls) must not have any serious defects such as leaning, buckling, sagging, large holes, or defects that may result in the structure not being weather-resistant or that may result in air infiltration or vermin infestation. The condition of all interior and exterior stairs, halls, porches, walkways, etc. must not present a danger of tripping or falling.

Outbuildings must conform to these standards or be removed from the property.

If an inspector determines that specific individual standards of this document cannot be achieved on any single dwelling due to it being structurally impossible and/or cost prohibitive, the inspector shall document the specific item(s) as non-conforming with these standards. The inspector shall prepare a list of any and all non-conforming items or non-conforming uses along with his/her recommendation to waive, or not-to-waive, the individual non-conforming items. The inspector's list of non-conforming items and subsequent recommended actions shall be explained to the property owner and the local official(s) representing the program, as well as provide for their signatures and dating of the inspector's list of non-conforming items and subsequent recommendations. If all parties agree, non-conforming items to these standards may be waived.

II. Definitions

- A. Egress** – A permanent and unobstructed means of exiting from the dwelling in an emergency escape or rescue situation.
- B. Habitable Space (Room)** – Space (rooms) within the dwelling for living, sleeping, eating or cooking. Bathrooms, toilet rooms, closets, halls, storage or utility spaces, and similar areas (rooms) are not considered habitable spaces (rooms).
- C. Energy Star Rated** – Includes all systems, components, equipment, fixtures and appliances that meet strict energy efficiency performance criteria established, as a joint effort, by the federal Environmental Protection Agency, the U.S. Department of Energy and the U.S. Department of Housing and Urban Development and that carry the Energy Star label as evidence of meeting this criteria.

III. Minimum Standards for Basic Equipment and Facilities

- A. Kitchens** – Every dwelling shall have a kitchen room or kitchenette equipped with the following:

1. **Kitchen Sink.** The dwelling shall have a kitchen sink, connected to both hot and cold potable water supply lines under pressure and to the sanitary sewer waste line. When replacing such components, water supply shut off valves shall be installed. If the existing faucet is to remain, a 2 gallon per minute (GPM) flow restricting aerator shall be installed.
 2. **Oven and Stove or Range.** The dwelling shall contain an oven and a stove or range (or microwave oven), supplied by the owner, either gas or electric, connected to the source of fuel or power, in good working order and capable of supplying the service for which it is intended.
 3. **Refrigerator.** The dwelling shall contain a refrigerator, supplied by the owner or home buyer, connected to the power supply, in good working order and capable of supplying the service for which it is intended.
 4. **Counter Space Area.** Every kitchen or kitchenette shall have a minimum storage area of eight (8) square feet with a minimum vertical clearance of twelve inches (12") and a minimum width of twelve inches (12"). Every kitchen or kitchenette shall have a minimum of four (4) square feet of counter space.
- C. Toilet Room:** Every dwelling shall contain a room which is equipped with a flush toilet and a lavatory. The flush water closet shall be connected to the cold potable water supply, under pressure, and to the sanitary sewer. The lavatory shall be connected to both a hot and cold potable water supply, under pressure, and connected to the sanitary sewer. When replacing such components, water supply shut off valves shall be installed. When replacing toilets, these will have a flush valve that use less than or equal to 1.6 gallons per flush. Toilet throat size will be no less than 2 inches and glazed smooth. If the lavatory faucet is not being replaced then a 2 GPM flow restricting faucet aerator will be installed.
- D. Bath Required:** Every dwelling shall contain a bathtub and/or shower.
1. The bathtub and/or shower unit(s) need not be located in the same room as the flush water closet and lavatory. The bathtub and/or shower unit may be located in a separate room.
 2. The bathtub and/or shower unit shall be connected to both hot and cold potable water supply lines, under pressure, and shall be connected to the sanitary sewer. All shower heads must be equal to or less than 2.0 (GPM) water flow. Where feasible, shut off valves shall be installed on the water supply lines. All faucets, when replaced, shall be water balancing scald guard type faucets.

E. Privacy in Room(s) Containing Toilet and/or Bath: Every toilet room and/or every bathroom (the room or rooms containing the bathtub and/or shower unit) shall be contained in a room or rooms that afford privacy to a person with said room or rooms.

1. Every toilet room and/or bathroom shall have doors equipped with a privacy lock or latch in good working order.

F. Hot Water Supply: Every dwelling shall have supplied water-heating equipment (water heater and hot water supply lines) that is free of leaks, connected to the source of fuel or power, and is capable of heating water to be drawn for general usage.

1. No water heaters (except point-of-use water heaters) shall be allowed in the toilet rooms or bathrooms, bedrooms or sleeping rooms. No gas water heaters shall be allowed in a clothes closet(s).
2. All gas water heaters shall be vented in a safe manner to a chimney or flue leading to the exterior of the dwelling. Unlined brick chimneys must have a metal B-vent liner installed to meet manufacturer's venting requirements. If metal chimney venting cannot be added, a power vented water heater may be installed. Size of the B-vent is critical for proper venting. Install according to manufacturer's recommendations.
3. All water heaters shall be equipped with a pressure/temperature relief valve possessing a full-sized (non-reduced) rigid copper or steel discharge pipe to within six (6) inches of the floor. The steel discharge pipe shall not be threaded at the discharge end.
4. All water heaters must be installed to manufacturer's installation specifications.
5. All new water heaters shall have internal foam insulation that is a minimum of R-10. Gas water heaters shall have an EF rating of .62 or higher and a recovery efficiency of .75 or better and/or meet Energy Star requirements at the time of installation. Electric water heaters shall be Energy Star Rated.
6. Where feasible, tankless water heaters may be installed in accordance with manufacturer's guidelines and sized to provide adequate hot water supply to all fixtures. Gas supply lines and or electrical capacity must be evaluated before installing tankless

water heaters. Before installing, careful consideration should be made regarding supply and water temperature to owners.

G. Exits: Every exit from every dwelling shall comply with the following requirements:

1. Every habitable room shall have two (2) independent and unobstructed means of egress. This is normally achieved through an entrance door and an egress window.
2. All above grade egress windows from habitable rooms shall have a net clear opening of 5.7 square feet. The minimum net clear opening width dimension shall not be less than twenty inches (20") wide, and the minimum net clear opening height dimension shall not be less the twenty-four inches (24") wide. Note that the combination of minimum window width and minimum window height opening size does not meet the 5.7 square feet requirements. Therefore, the window size will need to be greater than the minimum opening sizes in either width or height. Where windows are provided as a means of escape or rescue, they shall have a finished sill height of not more than forty-four inches (44") above the floor. Egress windows with a finished sill height of more than forty-four inches (44") shall have a permanently installed step platform that is in compliance with stair construction standards.

All at grade egress windows from habitable rooms may be reduced in size to 5.0 square feet of operable window area, but the area must meet the minimum width and/or and height requirement restrictions of all egress windows.

When windows are being replaced within existing openings, the existing window size shall be determined to be of sufficient size even if current window sizes do not meet current egress standards. However, if the specification writer determines that changing the window size is beneficial; such egress widow size modification will be allowed but not required. If new construction windows are being installed, these windows must meet all egress window requirements.

H. Stairs: If replacing existing stairs, stairs will need to conform as close as possible to new construction standards, but replacement stairs do not need to be in compliance with new codes. All newly constructed stairs (interior and exterior stairways) shall comply with the following requirements:

1. All stairways and steps of four (4) or more risers shall have at least one (1) handrail. All stairways and steps which are five (5) feet or more in width shall have a handrail on each side.
 2. All handrails shall be installed not less than thirty four inches (34") nor more than thirty-eight inches (38"), measured plumb, above the nosing of the stair treads. Handrails adjacent to a wall shall have a space of not less than one and one-half inches (1 1/2") between the wall and the handrail. All handrails shall be turned back into the wall on railing ends. The size of a round railing must be a minimum of 1.25 inches, but not more than 2 inches. Railings must be continuous from the top riser to the bottom riser.
 3. Porches, balconies or raised floor surfaces, including stairway riser and/or landing, located more than thirty (30) inches above the floor or the grade, shall have guardrails installed that are not less than thirty-six inches (36") in height. Open guardrails and stair railings shall have intermediate rails or ornamental pattern such that a sphere four inches (4") in diameter cannot pass through.
 4. All stairs and steps shall have a riser height of not more than eight inches (8") and a tread depth of not less than nine inches (9"). All newly constructed stairs, not replacement stairs, shall have a riser height of not more than seven and three quarters (7 3/4") and a tread depth of not less than ten inches (10"). Risers and treads cannot be different in size by more than 3/8 of an inch from the top to the bottom of the stairs.
- I. Smoke Detectors:** All smoke detectors shall be hard-wired with battery back-up and interconnected with all other alarms. There shall be a minimum of one (1) smoke detector per floor and a smoke detector shall be located adjacent to all bedrooms/sleeping rooms and adjacent to the central heating source. All smoke detectors shall be installed per manufacturer's installation instructions.
- J. Carbon Monoxide Detectors:** Where a heating system source, other than solid fuel burning appliances (e.g., wood stoves), and/or water heater that burns solid, liquid or gaseous fuels is located horizontally adjacent to any habitable room, a hard-wired with battery back-up carbon monoxide detector is required and is to be installed per the manufacturer's instructions. Any dwelling that has a fuel source heating system (not electric), other solid fuel burning appliances (e.g., wood stoves, pellet, or corn stoves), and/or fuel source water heater (not electric), a hard-wired with battery back-up combination smoke alarm/carbon monoxide detector is required to be installed per the manufacturer's instructions on the main living area floor.

IV. Minimum Standards for Ventilation

- A.** In general, sufficient ventilation shall be present to ensure adequate air circulation in the dwelling.
- B.** Every habitable room shall have at least one (1) exterior operable window. All operable windows shall be capable of being easily opened and held in an open position by window hardware. All operable exterior windows shall be provided with screens if none exist. Half screens on windows are allowable.
- C.** Bathrooms, including toilet rooms, shall be provided with a mechanical means of ventilation that is rated at 50 CFM or greater. Fans shall be ducted to the outside of the dwelling. All bathroom fans will be installed on a 20 minute timer for the fan and a regular switch for the light.
- D. Attic Ventilation:**
 - 1. When using roof vents without soffit vents and without a ceiling vapor barrier, sufficient vents shall be used to provide one square foot of free vent area for each one hundred fifty (150) square feet of ceiling area.
 - 2. When using roof vents without soffit vents with a ceiling vapor barrier, sufficient vents shall be used to provide one square foot of free vent area for each three hundred (300) square feet of ceiling area.
 - 3. When using a combination of roof and soffit vents and no ceiling vapor barrier, sufficient vents shall be used to provide one square foot of free vent area for each three hundred (300) square feet of ceiling area. Vents shall be installed with no less than fifty percent (50%) nor more than eighty percent (80%) of the total vent area in the roof near the peak with the balance of vents in the soffit.
 - 4. To conserve energy, power roof ventilation systems will be used only as a method of last resort. Roof ventilation should be accomplished through correctly sized gable vents, ridge vents, and/or roof pod ventilation systems, and soffit vents.

V. Minimum Standards for Electrical Service

- A. Minimum Electrical Service:**

1. Every dwelling unit, at a minimum, shall have a 100 ampere breaker controlled electrical panel. All electrical work shall be in compliance with adopted State electrical code requirements. The panel, service mast, etc. shall also be installed to local utility company requirements.

B. Convenience Outlets:

1. Every habitable room within the dwelling shall contain at least two (2) separate duplex, wall-type electrical outlets. Placement of such outlets shall be on separate walls. All newly installed receptacles shall be grounded duplex receptacles or GFCI protected.
2. All electrical outlets used in bathrooms and toilet rooms, all outlets within six foot (6'-0") of a water source (excluding designated simplex equipment circuits for clothes washing machines and sump pumps), outlets located on open porches or breezeways, exterior outlets, outlets located in garages and in non-habitable basements, except those electrical outlets that are dedicated appliance outlets. All kitchen receptacles serving the countertop area shall be ground fault circuit interrupter (GFCI) protected. All exterior receptacles shall be covered by a receptacle cover that when a cord is plugged in, the GFCI outlet will stay covered and protected.
3. All electrical outlets carrying heavy appliance loads (i.e., window air conditioning units, central air-conditioning units where they exist, refrigerators, freezers, electric stoves, microwaves, clothes washing machines, dish washing machines, electric clothes dryers, furnaces, etc.) shall be simplex receptacles on a separate circuit of the proper amperage and wire size.
4. Basements shall have a minimum of one (1) wall-type electrical outlet for every two hundred (200) square feet, or fraction thereof, of the floor area. Unfinished basements shall have a minimum of one (1) GFCI wall-type electrical receptacle. Such receptacle shall be within 20 feet of the furnace.
5. All accessible knob and tube wiring shall be removed and replaced with type NM cable (Romex) or as required by code.
6. All broken, damaged or nonfunctioning switches or outlets shall be replaced. All fixtures and wiring shall be adequately installed to ensure safety from fire so far as visible components are observed.

7. All missing or broken switch and outlet covers (including junction boxes) shall be replaced. Each receptacle or switch located on an exterior wall shall have a foam seal placed under the cover.

C. Lighting:

1. Every habitable room and every bathroom (including toilet room), laundry room, furnace or utility room, and hallway shall have at least one (1) ceiling or wall-type electric light fixture, controlled by a remote wall switch. Habitable rooms (except kitchens or kitchenettes) may have a wall-type electrical outlet controlled by a remote wall switch in lieu of a ceiling or wall-type light fixture. Energy efficient fixtures that meet energy star ratings and compact florescent bulbs shall be installed in all new fixture installations.
2. All pendant type lighting fixtures that are supported only by the electrical supply wire shall be removed or replaced. If replaced, replace with Energy Star rated fixtures.
3. All existing closet lights shall be covered.

VI. Minimum Standards for Heating Systems

A. Heating System: All heating systems (and central air-conditioning systems where they exist) shall be capable of safely and adequately heating (or cooling as applicable) for all living space.

B. Cooling System: Non-working or improperly functioning central air conditioning systems shall be repaired or replaced as part of the rehabilitation work. Central air conditioning systems should include a warranty.

C. Requirements for Heating and or Cooling Systems:

1. All existing heating systems, including but not limited to, chimneys and flues, cut-off valves and switches, limit controls, heat exchangers, burners, combustion and ventilation air, relief valves, drip legs and air, hot water, or steam delivery components (ducts, piping, etc.) that are not being replaced, shall be inspected to be in a safe and proper functioning condition at the time of inspection, by means of written project file documentation.
2. Every heating system burning solid, liquid or gaseous fuels shall be vented in a safe manner to a chimney or flue leading to the exterior of the dwelling. The heating system chimney and/or flue

shall be of such design to assure proper draft and shall be adequately supported.

3. No heating system source burning solid, liquid or gaseous fuels shall be located in any habitable room or bathroom, including any toilet room.
4. Every fuel burning appliance (solid, liquid or gaseous fuels) shall have adequate combustion air and ventilation air. All new furnaces will have sealed combustion with combustion air brought in from the exterior of the house and installed in accordance with manufacturer's guidelines.
5. Every heat duct, steam pipe and hot water pipe shall be free of leaks and shall function such that an adequate amount of heat is delivered where intended. All accessible duct joints must be sealed with mastic or any other acceptable product. Newly installed ductwork must also be sealed. All accessible steam piping and hot water piping must be installed with an approved material.
6. Every seal between any of the sections of the heating source(s) shall be air-tight so that noxious gases and fumes will not escape into the dwelling.
7. No space heater shall be of a portable type.
8. Minimum requirements for forced air furnaces, when installed, will be no less than a 92% AFUE, or the minimum AFUE, if greater than 92%, to obtain a local utility rebate (Energy Star rated for northern climates). Also install a digital programmable thermostat. Condensate lines will drain to a floor drain or have a condensate pump installed and piped to discharge. All furnace duct work shall be equipped with an air filter clean out location that has a tight fitting cover installed over it.
9. All boilers, when replaced, will have an "A" rating and be no less than 87% AFUE rating. All combustion air will be from the exterior of the house. The addition of zone valves may be useful to reduce energy cost. Heat lines shall be insulated with approved material. Programmable thermostats will be installed.
10. A/C units, if added or replaced, shall not be less than 14 SEER or the lowest SEER rating that is available at the time of installation but not less than 14 SEER. All units shall be installed, when possible, on either the north or east side of the dwelling or in an

area that will provide shade for the unit. The correct coil will be installed that is compatible with both the furnace and A/C unit.

Homeowners who use window air conditioners will be encouraged to purchase Energy Star rated air conditioners. No window A/C units may be purchased with Housing Funds.

11. All wood, pellet, corn, switch grass, hydrogen, or other biomass fuel stoves must be installed to manufacturer's guidelines. Where such guidelines are not available, the heating unit will be removed. Venting and combustion air must be installed in accordance with manufacturer's requirements.
12. The installation of Energy Star rated ceiling fans will be encouraged in general living areas. Fans must be installed to manufacturer's requirements.

D. Energy Conservation

1. All structures shall comply with certain energy conservation measures (U.S. Department of Energy recommendations). These measures include, but are not necessarily limited to, the following:
 - a. The provision of insulation at various locations and at the following recommended resistance factors (r-values). Insulation shall be primarily made from recycled glass or newspaper when available.
 - i. Ceilings – R-49 or as close as possible to these requirements where sloped ceilings exist.
 - ii. Crawl Spaces (floors or walls) – R-19
 - iii. Band Joists – R-19
 - b. When siding is being replaced and/or interior wall finishes of exterior walls are being replaced on a dwelling, such exterior walls are to be provided with insulation and at the recommended resistance factor (r-value) of R-11, or that which is allowed by the stud cavity space. In addition, an air infiltration barrier, such as Tyvek or approved equal, shall be installed on all exterior walls. If new walls are being framed and insulated, the minimum R factor is R-19 or R-13 plus R-5 foam. The installation of fan-fold foam or foam sheathing may be added to increase household R-ratings.

- c. The installation of weather stripping at all exterior doors, windows, ground-entry basement doors, etc. is required. Doors, when replaced shall be a metal clad insulated door (energy star rated for northern climates). Storm doors are encouraged, but not required. Door jams will be sealed and thresholds will be caulked.
- d. The provision of caulking around exterior doors and windows, at the foundation/sill plate union, and at other air-infiltration areas.
- e. Windows must be current Energy Star rated for northern climate to obtain local window rebates. All storm windows will be removed from heated areas of the home when windows are replaced. All rope weight openings will be insulated and all new windows will have the window jamb sealed. Where SHPO requirements will restrict the installation of vinyl windows, the specifications will be written to come as close as possible to achieving Energy Star requirements.
- f. All heat ducts and hot water or steam heat distribution piping shall be insulated or otherwise protected from heat loss where such ducts or piping runs are located in unheated spaces. Similarly, distribution piping for general use hot water shall also be protected from heat loss where such piping is located in unheated spaces. All water distribution piping shall be protected from freezing.
- g. Attic access passage ways (scuttle holes) shall be no less than 22" by 30" or the size of original construction. If it is impossible to conform to this standard, the largest attic access hole possible will be installed. Scuttle holes shall extend up a minimum 14 inches above the ceiling. Weather stripping shall be installed at the top of this 14 inch scuttle hole extension and shall be covered with ¾ inch plywood or OSB covered by 2 inch, R-10, foam. The gypsum opening on the ceiling will also be weather stripped and covered with 4 inches of foam. Both doors will be made to sit tight against the weather stripping.

VII. Minimum Standards for the Interiors of Structures

A. Interior Walls, Floors, Ceilings, Doors and Windows:

1. All interior walls, floors, ceilings, doors and windows shall be capable of being kept in a clean and sanitary condition by the owner.
2. Every bathroom and/or toilet room, kitchen or kitchenette, and utility room floor surface shall be constructed such that they are impervious to water and can easily be kept in a clean and sanitary condition by the owner.
3. All interior doors shall be capable of affording the privacy for which they are intended.
4. The dwelling must have at least one bedroom or living/sleeping room for each two persons. Children of the opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
5. No dwelling containing two or more bedrooms shall have a room arrangement that access to a bathroom, toilet room, or a bedroom can be achieved only by going through another bathroom, toilet room, or another bedroom.
6. All paints, stains, varnishes, lacquers and other finishes used in the rehabilitated dwelling shall be low or no VOC paint finishes and installed as required by the manufacture.

VIII. Minimum Standards for the Exterior of Structures

A. Foundations, Exterior Walls, Roofs, Soffits and Fascia:

1. Every foundation, exterior wall, roof, soffit and fascia shall be made weather resistant. Products for exterior walls, roofs, soffits, and fascia shall be installed in accordance with the manufacturer's guidelines.
2. Roof replacement shall be installed in accordance with the manufacturer's requirements. When installing asphalt or fiberglass shingles, a minimum of a 30 year shingle shall be used. Other products such as metal roofing may be considered. When replacing roofs, tile is not permitted.

B. Drainage:

1. All rainwater shall be conveyed and drained away from every roof so as not to cause wetness or dampness in the structure. No roof drainage systems shall be connected to a sanitary sewer.
2. The ground around the dwelling shall be sloped away from foundation walls to divert water away from the structure.
3. If feasible, the collection of roof water is encouraged.

**C. Windows, Exterior Doors and Basement Entries
(Including Cellar Hatchways):**

1. Every window, exterior door, basement entry and cellar hatchway shall be tight fitting within their frames, be rodent-proof, insect-proof and be weatherproof such that water and surface drainage is prevented from entering the dwelling. In addition, the following requirements shall also be met:
 - a. All exterior doors and windows shall be equipped with security locks. Deadbolts are not required.
 - b. Every window sash shall be fully equipped with glass window panes which are without cracks or holes. Every window sash to be replaced shall use Energy Star rated for northern climate windows unless the existing windows have insulated glass. Stained or leaded glass found to be historically significant may be protected by a fixed low-E glass storm window. Every window sash shall fit tightly within its frame, and be secured in a manner consistent with the window design. All window jambs will be sealed. All rope weight openings shall be insulated before installing the new window. Energy Star rated for Northern climate.
 - c. Storm doors, when installed, shall also be equipped with a self-closing device.
 - d. Every exterior door, when closed, shall fit properly within its frame and shall have door hinges and security locks or latches. All exterior doors will be no less than metal clad insulated (foam filled) doors. All jambs and thresholds will be sealed.
 - e. Every exterior door shall be not less than two foot-four inches (2'-4") in width and not less than six foot-six inches (6'-6") in height. Existing door sizes will be grandfathered,

but an attempt shall be made to have at least one exterior door that is not less than 36 inches wide and no less than 6'-8" high.

IX. Minimum Space, Use and Location Requirements

- A. No main floor habitable room in a dwelling shall have a ceiling height of less than seven feet, six inches (7'-6"). At least one-half of the floor area of every habitable room located above the first floor shall have a minimum ceiling height of seven feet (7'-0"). The floor area of any room where the ceiling height is less than four feet in height shall not be considered floor area in computing the total floor area of the room.
- B. A minimum ceiling height of seven feet (7'-0") is acceptable in bathrooms, toilet rooms, habitable basement space, and hallways.
- C. All habitable rooms, except kitchens and/or kitchenettes, shall have a minimum width of seven feet (7').

X. Minimum Standards for Plumbing Systems

- D. All dwelling plumbing systems shall be capable of safely and adequately providing a water supply and wastewater disposal for all plumbing fixtures. Every dwelling plumbing system shall comply with the following requirements.
 - 1. All existing plumbing systems and plumbing system components shall be free of leaks. When repairing or adding to such systems, any type of pipe allowed by the State plumbing code shall be allowed.
 - 2. All plumbing system piping shall be of adequate size to deliver water to plumbing fixtures and to convey wastewater from plumbing fixtures (including proper slope of wastewater piping) as designed by the fixture manufacturer).
 - 3. All plumbing fixtures shall be in good condition, free of cracks and defects, and capable of being used for the purpose in which they were intended.
 - 4. The plumbing system shall be vented in a manner that allows the wastewater system to function at atmospheric pressure and prevents the siphoning of water from fixtures. Venting by

mechanical vents is accepted as an alternative to exterior atmospheric venting.

5. All fixtures that discharge wastewater shall contain, or be discharged through, a trap that prevents the entry of sewer gas into the dwelling.
6. All plumbing system piping and fixtures shall be installed in a manner that prevents the system, or any component of the system, from freezing.
7. All plumbing fixtures and water connections shall be installed in such a way as to prevent the backflow of water from the system into the plumbing system's water source.
8. All faucets shall have aerators that restrict water flow to about 2 GPM. Toilets, when installed, shall only use 1.6 gallons per flush, or less.
9. Valves shall be installed with the valve in the upright position. When replacing valves, the use of a full port ball-valve shall be encouraged.

XI. Minimum Standards for Potable Water Supply

- A. Every dwelling shall be connected to an approved potable water source.
- B. All potable water fixtures and equipment shall be installed in such a manner as to make it impossible for used, unclean, polluted or contaminated water, mixtures or substances to enter any portion of the potable water system piping. All equipment and fixtures shall be installed with air gaps (traps) to prevent back siphon age. All outlets with hose threads (except those serving a clothes washing machine) shall have a vacuum breaker for use with the application. No water piping supplied by a private water supply system shall be connected to any other source of water supply without the approval of the jurisdiction having authority over the installation.
- C. All unused wells on the property shall be abandoned and plugged in accordance with any local requirements. All cisterns shall be drained and filled, and if applicable, in accordance with local requirements.

XII. Minimum Standards for Connection to Sanitary Sewer

- A. Every dwelling shall be connected to an approved sanitary sewer system.

Appendix C

NSP Proposed Budget

Activity Number	Activity Name	Proposed Budget	Number of Units
1	Financing Mechanisms	\$1,000,000	10 Units
2	Acquisition/Rehabilitation/Financing/Resale Homeownership	\$3,757,803	40 Units <120% Area Median Income
3	Acquisition/Rehabilitation/Financing/Resale Rental	\$1,766,371	19 Units <50% Area Median Income
4	Land Banks	Included in Activity 5	
5	Demolition/Redevelopment	\$141,310	7 Units <120% Area Median Income
6	Redevelopment	Included in Activity 4/5	
7	Administration	\$400,000	

Appendix D

Tract/Block Group	Low Middle Qualified	Abandonment Risk	Unemployment	HMDA_HIGH	18 Month Foreclosure	USPS
10801R3	NO	10	7.50%	22.00%	9.10%	8.10%
10802R5	NO	10	7.50%	28.80%	10.30%	13.60%
10802U1	YES	10	7.30%	28.80%	10.20%	13.60%
10802U2	YES	10	7.30%	28.80%	10.20%	13.60%
10802U4	YES	10	7.30%	28.80%	10.20%	13.60%
10802U5	YES	10	7.30%	28.80%	10.20%	13.60%
10802U6	NO	10	7.30%	28.80%	10.20%	13.60%
10102R2	NO	4	7.30%	49.50%	14.00%	0.00%
10102R3	NO	4	7.30%	49.50%	14.00%	0.00%
10102R5	NO	4	7.30%	49.50%	14.00%	0.00%
10102R6	YES	4	7.30%	49.50%	14.00%	0.00%
10103R1	YES	4	7.30%	48.60%	13.90%	0.00%
10103R2	YES	4	7.30%	48.60%	13.90%	0.00%
10103R4	NO	4	7.30%	48.60%	13.90%	0.00%
10103R5	YES	4	7.30%	48.60%	13.90%	0.00%
10103R6	YES	4	7.30%	48.60%	13.90%	0.00%
10201R1	NO	4	7.30%	55.40%	15.10%	0.00%
10201R2	YES	4	7.30%	55.40%	15.10%	0.00%
10201R3	NO	4	7.30%	55.40%	15.10%	0.00%
10201R4	NO	4	7.30%	55.40%	15.10%	0.00%
10201R5	NO	4	7.50%	55.40%	15.20%	0.00%
010201R6	NO	4	7.30%	55.40%	15.10%	0.00%
10201U1	YES	4	7.30%	55.40%	15.10%	0.00%
10201U2	YES	4	7.30%	55.40%	15.10%	0.00%
10201U3	YES	4	7.30%	55.40%	15.10%	0.00%
10201U4	NO	4	7.30%	55.40%	15.10%	0.00%
10201U5	YES	4	7.30%	55.40%	15.10%	0.00%
10201U6	YES	4	7.30%	55.40%	15.10%	0.00%
10201U7	YES	4	7.30%	55.40%	15.10%	0.00%
10202R1	NO	8	7.30%	49.90%	14.10%	1.00%
10202R2	NO	8	7.30%	49.90%	14.10%	1.00%
10202R3	NO	8	7.50%	49.90%	14.20%	1.00%
10202R5	NO	8	7.30%	49.90%	14.10%	1.00%
10202R6	NO	8	7.30%	49.90%	14.10%	1.00%
10202R9	NO	8	7.50%	49.90%	14.20%	1.00%
10202U3	NO	8	7.50%	49.90%	14.20%	1.00%
10202U4	YES	8	7.30%	49.90%	14.10%	1.00%
10202U6	YES	8	7.30%	49.90%	14.10%	1.00%
10202U7	YES	8	7.30%	49.90%	14.10%	1.00%
10202U8	YES	8	7.30%	49.90%	14.10%	1.00%
10202U9	YES	8	7.30%	49.90%	14.10%	1.00%
10302U2	YES	10	7.30%	42.20%	12.70%	4.40%
10302U3	YES	10	7.30%	42.20%	12.70%	4.40%
10307U1	YES	5	7.30%	40.50%	12.40%	0.00%

Tract/Block Group	Low Middle Qualified	Abandonment Risk	Unemployment	HMDA_HIGH	18 Month Foreclosure	USPS
10307U2	YES	5	7.30%	40.50%	12.40%	0.00%
10307U3	YES	5	7.30%	40.50%	12.40%	0.00%
10404U1	YES	4	7.30%	45.50%	13.30%	0.00%
10404U2	YES	4	7.30%	45.50%	13.30%	0.00%
10404U3	YES	4	7.30%	45.50%	13.30%	0.00%
10502U1	NO	10	7.30%	31.80%	10.80%	12.60%
10502U2	YES	10	7.30%	31.80%	10.80%	12.60%
10502U3	YES	10	7.30%	31.80%	10.80%	12.60%
10502U4	YES	10	7.30%	31.80%	10.80%	12.60%
10502U5	YES	10	7.30%	31.80%	10.80%	12.60%
10502U6	YES	10	7.30%	31.80%	10.80%	12.60%
10502U7	YES	10	7.30%	31.80%	10.80%	12.60%
10602U1	YES	10	7.30%	30.00%	10.40%	11.90%
10602U2	YES	10	7.30%	30.00%	10.40%	11.90%
10602U3	YES	10	7.30%	30.00%	10.40%	11.90%
20800U2	NO	10	7.50%	45.50%	13.40%	8.20%